

CERTIFICATE OF NEED APPLICATION

LEBANON ASSISTED LIVING

Lebanon, Missouri

Addition of 40 ALF Beds to Existing Certificate of Need (Project No. 5189 RS) to Expand Assisted Living Portion of Facility and Allow for the Provision of Memory Care Services

Project # 5490 RS

Submitted to

Missouri Health Facilities Review Committee

on

June 30, 2017



Certificate of Need Program

NEW OR ADDITIONAL LONG TERM CARE BED APPLICATION*

Applicant's Completeness Checklist and Table of Contents

Project Name: _____ Project No: _____

Project Description: _____

Done Page N/A Description

Divider I. Application Summary:

- ☐ _____ ☐ 1. Applicant Identification and Certification (Form MO 580-1861).
- ☐ _____ ☐ 2. Representative Registration (Form MO 580-1869).
- ☐ _____ ☐ 3. Proposed Project Budget (Form MO 580-1863) and detail sheet with documentation of costs.

Divider II. Proposal Description:

- ☐ _____ ☐ 1. Provide a complete detailed project description.
- ☐ _____ ☐ 2. Provide a timeline of events for the project, from the issuance of the CON through project completion.
- ☐ _____ ☐ 3. Provide a legible city or county map showing the exact location of the proposed facility.
- ☐ _____ ☐ 4. Provide a site plan for proposed project.
- ☐ _____ ☐ 5. Provide preliminary schematic drawings for the proposed project.
- ☐ _____ ☐ 6. Provide evidence that architectural plans have been submitted to the Department of Health and Senior Services.
- ☐ _____ ☐ 7. Provide the proposed gross square footage.
- ☐ _____ ☐ 8. Document ownership of the project site, or provide an option to purchase.
- ☐ _____ ☐ 9. Define the community to be served.
- ☐ _____ ☐ 10. Provide 2020 population projections for the 15-mile radius service area.
- ☐ _____ ☐ 11. Identify specific community problems or unmet needs the proposal would address.
- ☐ _____ ☐ 12. Provide historical utilization for each of the past three (3) years and utilization projections through the first three (3) full years of operation of the new LTC beds.
- ☐ _____ ☐ 13. Provide the methods and assumptions used to project utilization.
- ☐ _____ ☐ 14. Document that consumer needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input.
- ☐ _____ ☐ 15. Provide copies of any petitions, letters of support or opposition received.

Divider III. Service Specific Criteria and Standards:

- ☐ _____ ☐ 1. For ICF/SNF beds, address the population-based bed need methodology of fifty-three (53) beds per one thousand (1,000) population age sixty-five (65) and older.
- ☐ _____ ☐ 2. For RCF/ALF beds, address the population-based bed need methodology of twenty-five (25) beds per one thousand (1,000) population age sixty-five (65) and older.
- ☐ _____ ☐ 3. For LTCH beds, address the population-based bed need methodology of one-tenth (0.1) bed per one thousand (1,000) population.
- ☐ _____ ☐ 4. Document any alternate need methodology used to determine the need for additional beds such as Alzheimer's, mental health or other specialty beds.
- ☐ _____ ☐ 5. For any proposed facility which is designed and operated exclusively for person with acquired human immunodeficiency syndrome (AIDS) provide information to justify the need for the type of beds being proposed.
- ☐ _____ ☐ 6. If the project is to add beds to an existing facility, has the facility received a Notice of Noncompliance within the last 18 months as a result of a survey, inspection or complaint investigation? If the answer is yes, explain.

Divider IV. Financial Feasibility Review Criteria and Standards:

- ☐ _____ ☐ 1. Document that the proposed costs per square foot are reasonable when compared to the latest "RS Means Construction Cost data".
- ☐ _____ ☐ 2. Document that sufficient financing is available by providing a letter from a financial institution or an auditors statement indicating that sufficient funds are available.
- ☐ _____ ☐ 3. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) for the latest three (3) years, and projected through three (3) full years beyond project completion.
- ☐ _____ ☐ 4. Document how patient charges are derived.
- ☐ _____ ☐ 5. Document responsiveness to the needs of the medically indigent.
- ☐ _____ ☐ 6. For a proposed new skilled nursing or intermediate care facility, what percent of your admissions would be Medicaid eligible on the first day of admission or become Medicaid eligible within 90 days of admission?
- ☐ _____ ☐ 7. For an existing skilled nursing or intermediate care facility proposing to add beds, what percent of your admissions is Medicaid eligible on the first day of admission or becomes Medicaid eligible within 90 days of admission?

**Use for RCF/ALF, ICF/SNF and LTCH beds*

Divider I. Application Summary:

1. Applicant Identification and Certification (Form MO 580-1861)

Attached.

2. Representative Registration (Form MO 580-1869)

Attached.

3. Proposed Project Budget (Form MO 580-1863)

Attached.



Certificate of Need Program

APPLICANT IDENTIFICATION AND CERTIFICATION

The information provided must match the **Letter of Intent** for this project, without exception.

1. Project Location (Attach additional pages as necessary to identify multiple project sites.)

Title of Proposed Project LEBANON ASSISTED LIVING	Project Number 5490 RS
Project Address (Street/City/State/Zip Code) 842 LYNN STREET LEBANON, MO 65536	County LACLEDE

2. Applicant Identification (Information must agree with previously submitted Letter of Intent.)

List All Owner(s): <small>(List corporate entity.)</small>	Address (Street/City/State/Zip Code)	Telephone Number
LEBANON, MISSOURI ASSISTED LIVING PROPERTY INVESTMENT, LLC	337 WEST LOCKWOOD ST. LOUIS, MO 63119	(314) 288-8780
List All Operator(s): <small>(List entity to be licensed or certified.)</small>	Address (Street/City/State/Zip Code)	Telephone Number
LEBANON, MISSOURI ASSISTED LIVING OPERATING COMPANY, LLC	337 WEST LOCKWOOD ST. LOUIS, MO 63119	(314) 288-8780

3. Ownership (Check applicable category.)

- | | | | |
|--|--------------------------------------|---------------------------------|--|
| <input type="checkbox"/> Nonprofit Corporation | <input type="checkbox"/> Individual | <input type="checkbox"/> City | <input type="checkbox"/> District |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Corporation | <input type="checkbox"/> County | <input checked="" type="checkbox"/> Other <u>LLC</u> |


4. Certification

In submitting this project application, the applicant understands that:

- (A) The review will be made as to the community need for the proposed beds or equipment in this application;
- (B) In determining community need, the Missouri Health Facilities Review Committee (Committee) will consider all similar beds or equipment within the service area;
- (C) The issuance of a Certificate of Need (CON) by the Committee depends on conformance with its Rules and CON statute;
- (D) A CON shall be subject to forfeiture for failure to incur an expenditure on any approved project six (6) months after the date of issuance, unless obligated or extended by the Committee for an additional six (6) months;
- (E) Notification will be provided to the CON Program staff if and when the project is abandoned; and
- (F) A CON, if issued, may not be transferred, relocated, or modified except with the consent of the Committee.

We certify the information and date in this application as accurate to the best of our knowledge and belief by our representative's signature below:

5. Authorized Contact Person (Attach a Contact Person Correction Form if different from the Letter of Intent.)

Name of Contact Person JEFF BINDER	Title AUTHORIZED PERSON
Telephone Number (314) 961-0070	Fax Number (314) 961-0071
E-mail Address binder@slibinc.com	
Signature of Contact Person 	Date of Signature 6-18-17



Certificate of Need Program


REPRESENTATIVE REGISTRATION*(A registration form must be completed for **each** project presented.)*

Project Name LEBANON ASSISTED LIVING		Number 5490 RS
<i>(Please type or print legibly.)</i>		
Name of Representative JEFF BINDER		Title PRINCIPAL/MANAGING DIRECTOR
Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) SENIOR LIVING INVESTMENT BROKERAGE, INC.		Telephone Number (314) 961-0070
Address (Street/City/State/Zip Code) 337 WEST LOCKWOOD AVENUE, ST. LOUIS, MO 63119		
Who's interests are being represented? <i>(If more than one, submit a separate Representative Registration Form for each.)</i>		
Name of Individual/Agency/Corporation/Organization being Represented LEBANON, MISSOURI ASSISTED LIVING PROPERTY INVESTMENT, LLC		Telephone Number (314) 288-8780
Address (Street/City/State/Zip Code) 337 WEST LOCKWOOD ST. LOUIS, MO 63119		
<p>Check one. Do you:</p> <p><input checked="" type="checkbox"/> Support</p> <p><input type="checkbox"/> Oppose</p> <p><input type="checkbox"/> Neutral</p> <p>Other Information:</p> <p>_____</p> <p>_____</p>		<p>Relationship to Project:</p> <p><input type="checkbox"/> None</p> <p><input type="checkbox"/> Employee</p> <p><input type="checkbox"/> Legal Counsel</p> <p><input checked="" type="checkbox"/> Consultant</p> <p><input type="checkbox"/> Lobbyist</p> <p><input type="checkbox"/> Other (explain):</p> <p>_____</p> <p>_____</p>
<p>I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: <i>Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in §105.478, RSMo.</i></p>		
Original Signature 		Date 6-28-17



Certificate of Need Program


REPRESENTATIVE REGISTRATION

(A registration form must be completed for each project presented.)	
Project Name LEBANON ASSISTED LIVING	Number 5490 RS
(Please type or print legibly.)	
Name of Representative JOSHUA A. STEVENS	Title PRESIDENT
Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) CEDARHURST LIVING, LLC	Telephone Number (314) 884-2000
Address (Street/City/State/Zip Code) 120 S. CENTRAL AVENUE, SUITE 1050, CLAYTON, MO 63105	
Who's interests are being represented? (If more than one, submit a separate Representative Registration Form for each.)	
Name of Individual/Agency/Corporation/Organization being Represented LEBANON, MISSOURI ASSISTED LIVING OPERATING COMPANY, LLC	Telephone Number (314) 288-8780
Address (Street/City/State/Zip Code) 337 WEST LOCKWOOD ST. LOUIS, MO 63119	
Check one. Do you: <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose <input type="checkbox"/> Neutral	Relationship to Project: <input type="checkbox"/> None <input type="checkbox"/> Employee <input type="checkbox"/> Legal Counsel <input checked="" type="checkbox"/> Consultant <input type="checkbox"/> Lobbyist <input type="checkbox"/> Other (explain):
Other Information: _____ _____	
I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: <i>Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in §105.478, RSMo.</i>	
Original Signature 	Date 6/27/17



Certificate of Need Program

REPRESENTATIVE REGISTRATION

(A registration form must be completed for each project presented.)																			
Project Name LEBANON ASSISTED LIVING	Number 5490 RS																		
(Please type or print legibly.)																			
Name of Representative BRETT J. TRAVERS	Title ASSISTANT GENERAL COUNSEL																		
Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) CEDARHURST LIVING, LLC	Telephone Number (314) 884-2000																		
Address (Street/City/State/Zip Code) 120 S. CENTRAL AVENUE, SUITE 1050, CLAYTON, MO 63105																			
Who's interests are being represented? (If more than one, submit a separate Representative Registration Form for each.)																			
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Address (Street/City/State/Zip Code) 337 WEST LOCKWOOD ST. LOUIS, MO 63119																			
<table border="0"><tr><td>Check one. Do you:</td><td>Relationship to Project:</td></tr><tr><td><input checked="" type="checkbox"/> Support</td><td><input type="checkbox"/> None</td></tr><tr><td><input type="checkbox"/> Oppose</td><td><input type="checkbox"/> Employee</td></tr><tr><td><input type="checkbox"/> Neutral</td><td><input type="checkbox"/> Legal Counsel</td></tr><tr><td></td><td><input checked="" type="checkbox"/> Consultant</td></tr><tr><td></td><td><input type="checkbox"/> Lobbyist</td></tr><tr><td></td><td><input type="checkbox"/> Other (explain):</td></tr><tr><td colspan="2">Other Information:</td></tr><tr><td colspan="2"><hr/><hr/></td></tr></table>		Check one. Do you:	Relationship to Project:	<input checked="" type="checkbox"/> Support	<input type="checkbox"/> None	<input type="checkbox"/> Oppose	<input type="checkbox"/> Employee	<input type="checkbox"/> Neutral	<input type="checkbox"/> Legal Counsel		<input checked="" type="checkbox"/> Consultant		<input type="checkbox"/> Lobbyist		<input type="checkbox"/> Other (explain):	Other Information:		<hr/> <hr/>	
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Other Information:																			
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Original Signature 	Date 6/27/17																		

MO 580-1869 (11/01)



Certificate of Need Program

PROPOSED PROJECT BUDGET

This Proposed Project Budget is for the entire Revised Project (as defined herein) and includes the \$7,000,000 budgeted for the Original Project (as defined herein)(CON Project No. 5189 RS) and the \$3,000,000 reflected on the Letter of Intent for CON Project No. 5490 RS.

Description

Dollars

COSTS:*

(Fill in every line, even if the amount is "\$0".)

1. New Construction Costs ***	\$7,575,000
2. Renovation Costs ***	\$0
3. Subtotal Construction Costs (#1 plus #2)	\$7,575,000
4. Architectural/Engineering Fees	\$100,000
5. Other Equipment (not in construction contract)	\$400,000
6. Major Medical Equipment	\$0
7. Land Acquisition Costs ***	\$735,000
8. Consultants' Fees/Legal Fees ***	\$75,000
9. Interest During Construction (net of interest earned) ***	\$150,000
10. Other Costs ***	\$965,000
11. Subtotal Non-Construction Costs (sum of #4 through #10)	\$2,425,000
12. Total Project Development Costs (#3 plus #11)	\$10,000,000 **

FINANCING:

13. Unrestricted Funds	\$0
14. Bonds	\$0
15. Loans	\$10,000,000
16. Other Methods (specify)	\$0
17. Total Project Financing (sum of #13 through #16)	\$10,000,000 **

18. New Construction Total Square Footage	68,698
19. New Construction Costs Per Square Foot *****	\$110
20. Renovated Space Total Square Footage	0
21. Renovated Space Costs Per Square Foot *****	\$0

* Attach additional page(s) detailing how each line item was determined, including all methods and assumptions used. Provide documentation of all major costs.

** These amounts should be the same.

*** Capitalizable items to be recognized as capital expenditures after project completion.

**** Include as Other Costs the following: other costs of financing; the value of existing lands, buildings and equipment not previously used for health care services, such as a renovated house converted to residential care, determined by original cost, fair market value, or appraised value; or the fair market value of any leased equipment or building, or the cost of beds to be purchased.

***** Divide new construction costs by total new construction square footage.

***** Divide renovation costs by total renovation square footage.

Certificate of Need Program
PROPOSED PROJECT BUDGET

Lebanon Assisted Living– Increase Assisted Living Facility Beds from 50 to 90 (Project #5490 RS)

<u>Item #</u>	<u>Description</u>
1	Hard construction costs for this project are budgeted at \$7,575,000 for the Revised Project (as defined herein), consistent with costs for this building in other markets. See attached Construction Budget from Brahms Construction, LLC.
4	Architectural and engineering fees are budgeted at \$100,000.
5	Includes all fixtures, furnishings, and non-major medical equipment for facility. This \$400,000 figure is based on previously completed prototypes.
7	Total land cost is \$735,000.00
8	Consultants' fees and legal fees are budgeted at \$75,000.
9	Interest during construction is anticipated to be \$150,000. This includes 12 months of interest carry on the land combined with building construction draws. A 4.25% interest rate was assumed.
10	The budgeted figure for other costs is \$965,000. Included in this figure are review, impact and development fees, surveys, appraisals and inspections, title and recording costs, financing fees, closing expense and real estate tax payments.



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PROPOSED PROJECT BUDGET

This version of the Proposed Project Budget reflects the differences between the \$7,000,000 Proposed Budget submitted as part of the Original Project (CON Project No. 5189 RS) and the \$10,000,000 Proposed Budget submitted with this Application for the Revised Project.

Description

Dollars

COSTS:*

(Fill in every line, even if the amount is "\$0".)

1. New Construction Costs ***	\$2,071,250
2. Renovation Costs ***	\$0
3. Subtotal Construction Costs (#1 plus #2)	\$2,071,250
4. Architectural/Engineering Fees	-\$25,000
5. Other Equipment (not in construction contract)	\$224,950
6. Major Medical Equipment	\$0
7. Land Acquisition Costs ***	\$525,000
8. Consultants' Fees/Legal Fees ***	-\$249,500
9. Interest During Construction (net of interest earned) ***	\$50,000
10. Other Costs ***	\$403,300
11. Subtotal Non-Construction Costs (sum of #4 through #10)	\$928,750
12. Total Project Development Costs (#3 plus #11)	\$3,000,000 **

FINANCING:

13. Unrestricted Funds	-\$1,800,000
14. Bonds	\$0
15. Loans	\$4,800,000
16. Other Methods (specify)	\$0
17. Total Project Financing (sum of #13 through #16)	\$3,000,000 **

18. New Construction Total Square Footage	30,698
19. New Construction Costs Per Square Foot *****	-\$30
20. Renovated Space Total Square Footage	0
21. Renovated Space Costs Per Square Foot *****	\$0

* Attach additional page(s) detailing how each line item was determined, including all methods and assumptions used. Provide documentation of all major costs.

** These amounts should be the same.

*** Capitalizable items to be recognized as capital expenditures after project completion.

**** Include as Other Costs the following: other costs of financing; the value of existing lands, buildings and equipment not previously used for health care services, such as a renovated house converted to residential care, determined by original cost, fair market value, or appraised value; or the fair market value of any leased equipment or building, or the cost of beds to be purchased.

***** Divide new construction costs by total new construction square footage.

***** Divide renovation costs by total renovation square footage.

I-3: Construction Budget

(Please see attached.)

June 27, 2017

Mr. Jeffrey Binder
Lebanon Assisted Living Property Investment, LLC
337 West Lockwood
St. Louis, MO 63119

Re: Construction Budget for Cedarhurst of Lebanon, Lebanon, MO

Dear Jeff:

We are pleased to submit our construction budget for Cedarhurst of Lebanon Assisted Living and Memory Care, located in Lebanon, Missouri (the "**Facility**"). The Facility is anticipated to be approximately 68,698 square feet including a total of 90 beds.

The project scope of work is anticipated to include the following:

1. Site Improvements:

Site Improvements of approximately 9.0 acres including mass grading, site utilities, site electric, concrete sidewalks, asphalt paving, retaining walls, landscaping, and irrigation.

SITE IMPROVEMENTS SUBTOTAL: \$925,000.00

2. Building Construction:

Building construction for an approximate 68,698 square feet, 1-story, wood-framed assisted living facility. Construction includes slab on grade, wood-framed, load-bearing and interior walls, wood roof, exterior brick, vinyl, and composite siding and trims, architectural shingle roof with gutters and downspouts, soffit and fascia trim, aluminum main entry doors, hollow metal secondary entry doors, single hung vinyl windows, fire protection, HVAC systems including PTAC's at resident units and split systems in common areas, and complete plumbing and electrical systems.

Core and common area wall finishes are anticipated to be drywall with painted finishes, ceramic tile, sheet vinyl, vinyl wood plank, and carpet floor coverings. Interior wood door units with appropriate hardware will be supplied. Acoustical and drywall ceilings will be provided with common area plumbing, HVAC and electrical finishes, including decorative lighting in appropriate areas.

Resident unit finishes are included for 90 beds, including drywall finishes with paint, sheet vinyl and carpet floor coverings, bathroom vanities and kitchen cabinets with plastic laminate tops, closet shelving, hollow core wood doors with appropriate hardware, PTAC units, plumbing and electrical finishes as required by code.

BUILDING CONSTRUCTION SUBTOTAL: \$6,650,000.00

TOTAL COST OF CONSTRUCTION: \$7,575,000.00

We look forward to working with you closely on this project to insure your complete satisfaction.

Respectfully,

BRAHMS CONSTRUCTION, LLC

By:



Norm Shipley
Senior Project Manager

Divider II. Proposal Description:

1. Provide a complete detailed project description.

On July 13, 2015, the Missouri Health Facilities Review Committee (“MHFRC”) issued a Certificate of Need (“CON”) for Project No. 5189 RS (“CON 5189”) to Lebanon, Missouri Assisted Living Property Investment, LLC (“Investment”) and Lebanon, Missouri Assisted Living Operating Company, LLC (“Operating Company” and together with Investment, collectively, the “Developers”). CON 5189 granted the Developers the right to establish a 50-bed assisted living facility (the “Community”) at 842 Lynn Street, Lebanon, MO 65536 with a project cost of \$7,000,000 (the “Original Project”).

During the development of the Original Project, the Developers determined that the scope of the Original Project was insufficient to fully serve the needs of the Lebanon, Missouri community. As such, pursuant to this application, and as set forth in detail herein, the Developers seek to increase the square footage, project cost and available beds at the Community.

Upon approval of the CON applied for herein, Investment will proceed toward the construction of a 79-unit, 90-bed, 68,698 square feet, one-story assisted living and memory care facility located at 842 Lynn Street, Lebanon, Missouri 65536 (the “Revised Project”). The total project cost for the Revised Project is \$10,000,000.00.

Investment will be the owner of the Community and will lease the Community to Operating Company, who will be the licensed operator. This is a widely used ownership structure in the senior housing industry and generates the most efficient financing.

Operating Company will hire Cedarhurst Living, LLC (“Cedarhurst”) as the manager of the Community. Cedarhurst is an experience management company that currently manages ten (10) assisted living and memory care communities within three (3) Midwestern states.

Residents of the Community will enjoy an active, engaging lifestyle that promotes wellness and independence. It is the goal of Cedarhurst to keep all residents linked to resources and opportunities in the community at large that will fulfill their needs, interests and goals. Unique to Cedarhurst’s execution of this proven model is:

Person Centered Care Philosophy

Cedarhurst’s philosophy of care strives to create a specialized environment that will afford each individual resident of the Community maximum self-expression. The preservation of individual dignity and confidentiality is paramount to Cedarhurst. Cedarhurst’s staff is committed to creating a quality of care that meets all resident’s physical, social, spiritual and emotional needs.

Resident-Directed Programming

Individualized service assessments and plans are developed for each resident, and Cedarhurst’s staff work to ensure that each resident feels personally fulfilled and gratified. Residents can also take advantage of Cedarhurst’s unique programs, such as exercise and dance classes, memory games and brain teaser exercises, lecture series, outdoor music concerts, discussion groups, intergenerational programs and in-house religious services, all of which are tailored to the resident’s interests and designed to promote resident social, emotional and physical well-being.

Focus on a “Lifestyle” Experience

The Community will offer complimentary lifestyle services, which includes transportation to group outings, weekly housekeeping and linen service, planned group activities and special events. Residents will also be aided with appointments and business affairs, such as coordinating, managing and scheduling personal appointments, banking, attorneys, physicians, etc., as and when needed.

Integration of Architecture as a Component of Resident Care

The Revised Project has several key design features that support the person-directed care model. These include interior courtyards and four seasons rooms, which enhance indoor-outdoor connections. Also included are large windows in resident apartments that provide natural light, expanded views of nature and increase the spatial perception of room size.

In addition to the foregoing, perhaps the most important feature of the Revised Project and the addition of Cedarhurst as the Community’s manager, is the addition of memory care services to the Community.

Twenty-seven (27) of the Community’s 79 units, through both the care provided in such units and their physical environment, will be dedicated to supporting individuals who suffer from Alzheimer’s disease and other forms of dementia. This is especially important because by 2025, the overall number of individuals suffering from Alzheimer’s disease in the State of Missouri is expected to increase by up to 18% and, currently, there are no assisted living facilities providing dedicated memory care services in the Lebanon, Missouri market.

Cedarhurst has programming designed specifically for individuals in need of memory care, such as reminder, coordination and accompaniment services. These services include, but are not limited to: the coordination of the selection and laying out of clothes and personal grooming set-up; meal reminders; accompaniment to meals and activities; and re-orientation to a resident’s schedule and needs. Further, all of Cedarhurst’s assisted living caregivers are required to be trained in Alzheimer’s care. And, as additional environmental support, Cedarhurst will utilize a 24 hour a day, 7 day a week, guard system to protect residents who may become confused and attempt to leave the Community.

2. Provide a timeline of events for the project, from the issuance of the CON through project completion.

Time is determined based upon past project experience, allowing for a realistic timeframe to finalize project details prior to commencement.

- CON approved – September 2015
- Close Financing – October 2017
- Building Permit Issued – October 2017
- Commence Construction – November 2017
- Complete Construction – November 2018
- Facility Licensed – December 2018

3. Provide a legible city or county map showing the exact location of the proposed facility.

See Attachments.

4. Provide a site plan for the proposed project.

See Attachments.

5. Provide preliminary schematic drawings for the proposed project.

See Attachments.

6. Provide evidence that architectural plans have been submitted to the Department of Health and Senior Services.

See Attachments.

7. Provide the proposed gross square footage.

The Revised Project is 68,698 gross square feet.

8. Document ownership of the project site, or provide an option to purchase.

Attached please find the following executed documents:

- (i) Real Estate Purchase and Sale Agreement dated June 7, 2017, by and between Michael K. Eilenstein, Trustee of the Michael K. Eilenstein Trust Agreement dated September 20, 2004, and Polly A. Eilenstein, Trustee of the Polly A. Eilenstein Trust Agreement dated September 20, 2004, and Dover Development, LLC;
- (ii) Michael K. Eilenstein as Trustee of the Michael K. Eilenstein Trust, Polly A. Eilenstein as Trustee of the Polly A. Eilenstein Trust, and Dayton A. Massey and Phyllis O. Massey, Co-Trustees of the Massey Family Trust; and
- (iii) Assignment of Purchase Agreements dated June 27, 2017, by and between Dover Development, LLC and Investment.

9. Define the community to be served.

Assisted living residents maintain a level of independence and mobility and, therefore, tend to select facilities in the original community in which they lived and raised families. Residents often choose their assisted living facility based upon nearness to church, community groups and friends and family. This is particularly true in the City of Lebanon, the seat of Laclede County, where older residents have deep roots and are unlikely to relocate to another city.

The immediate surrounding area of the proposed project is comprised of peaceful residential neighborhoods as well as an elementary school and an under construction medical clinic located near the heart of Lebanon.

Based upon these factors, the Community believes that the primary service area for the proposed assisted living facility – attracting 75% of its ultimate resident population – will be the population who needs assisted living and memory care services from within a 15-mile radius from this location.

10. Provide 2020 population projections for the 15-mile radius service area.

In 2020, the projected population of individuals 65 years of age and older in the service area will be 7,648. See Attachments. This number is based on population information provided by the Bureau of Vital Statistics in the Missouri Department of Health and Senior Services.

11. Identify specific community problems or unmet needs the proposal would address.

When the community need methodology of 25 beds per one thousand population 65+ is applied to the 7,648 population of 65+ residents in the 15-mile radius (the “Service Area”), it results in a total RCF/ALF surplus of 121-beds. This methodology, however, is not truly reflective of the need for assisted living beds in the Service Area because, as detailed below, the inventory of beds in the Service Area reflected in the population-based need methodology is not actually available to seniors.

Department of Mental Health (“DMH”): Eighty (80) ALF beds included within the Service Area are not available to seniors because they are exclusively for DMH residents. Because these eighty (80) beds are not available to seniors, they should be subtracted from the available beds in the Service Area. (-80)

Licensed vs. Available Beds: The six (6) remaining ALF/RCFs in the Service Area are licensed for 232 beds. These include the fifty (50) associated with the Original Project (CON Project #5189 RS). However, those facilities only report having 200 beds available for residents (including the previously-approved fifty (50) beds associated with the Original Project). Because these thirty-two (32) beds are not available to residents, they should be subtracted from the available beds in the Service Area. (-32)

Current RCF Beds for Seniors: Of the 120 RCF beds available in the Service Area, only twenty (20) beds are specifically for seniors. Because one hundred (100) of the RCF beds in the Service Area are not utilized for seniors, they should be subtracted from the available beds in the Service Area (-100).

Current ALF Beds for Seniors: The only ALF beds available to seniors in the Service Area are 97% occupied.

Therefore, there are only 100 ALF/RCF beds in the Service Area available for seniors. If that 100-bed figure is utilized to calculate the population-based need for such area, the result is a need for **91 additional beds**.

$$[(.025 \times 7,648) - 100] = 91$$

Lack of Memory Care Beds: None of the ALFs or RCFs within the Service Area offer memory care services to seniors suffering from Alzheimer’s disease and related dementias. The primary difference between the Original Project and the Revised Project is the addition of a 27-apartment memory care unit within the Community.

According to the Alzheimer’s Association, as of 2017, more than five (5) million Americans are living with Alzheimer’s disease and by 2050, that number could be as high as sixteen (16) million. One (1) in ten (10) people age 65 and older has Alzheimer’s dementia. Further, in 2016, more than fifteen (15) million family and friends provided care for people with Alzheimer’s or other dementias, which resulted in thirty-five percent (35%) of those caregivers reporting that their own health deteriorated due to their care responsibilities. Compared with caregivers of people without dementia, twice as many caregivers of those with dementia indicate substantial emotional, financial and physical difficulties.

Therefore, given these sobering statistics, if the memory care need were to be calculated for the Service Area, the bed need for such area would be increased by a significant margin.

12. Provide historical utilization for each of the past three years and utilization projections through the first three years of operation of the new LTC beds.

Historical utilization for each of the past three years is not applicable, as the Community has yet to be constructed.

Year-end utilization projections through the first three years of operations for the Community including the increased beds requested pursuant to this CON application are summarized as follows:

Year 1: 16,844 – 51%

Year 2: 27,179 – 83%

Year 3: 27,179 – 83%

13. Provide the methods and assumptions used to project utilization.

Cedarhurst, the manager of the Community, is an experienced St. Louis-based assisted living and memory care operator with current developments in the St. Louis Metropolitan Area and Southern Illinois. Projections are consistent with similarly-sized projects undertaken by Developers and by Cedarhurst, which have actually been met. They are both realistic and achievable.

Marketing of the facility will commence six (6) months before opening, and pre-leasing will begin three (3) to four (4) months before opening. These efforts are expected to generate a significant number of commitments, and the facility expects to serve at least eight (8) residents during the first month of operation.

After the first month of operation, net resident move-ins are projected to be two (2) to three (3) per month until stabilization is achieved. The project is expected to experience a positive operating margin within the first year. The rate of fill is in-line with Cedarhurst's prior experience opening similar projects.

14. Document that consumer needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input.

Conversations and meetings were held with City of Lebanon area leaders and senior citizen representatives who verified a shortage of assisted living facility beds. Extensive surveys of the existing inventory of the existing inventory of assisted living in the Lebanon area were also performed, revealing the absence of memory care services and an aged inventory of facilities without many of the modern architectural elements and other features of newly designed and constructed facilities.

Interested persons were also notified of this application via a "Legal Notice" published in the June 21, 2017 edition of the Lebanon Daily Record. See attachments.

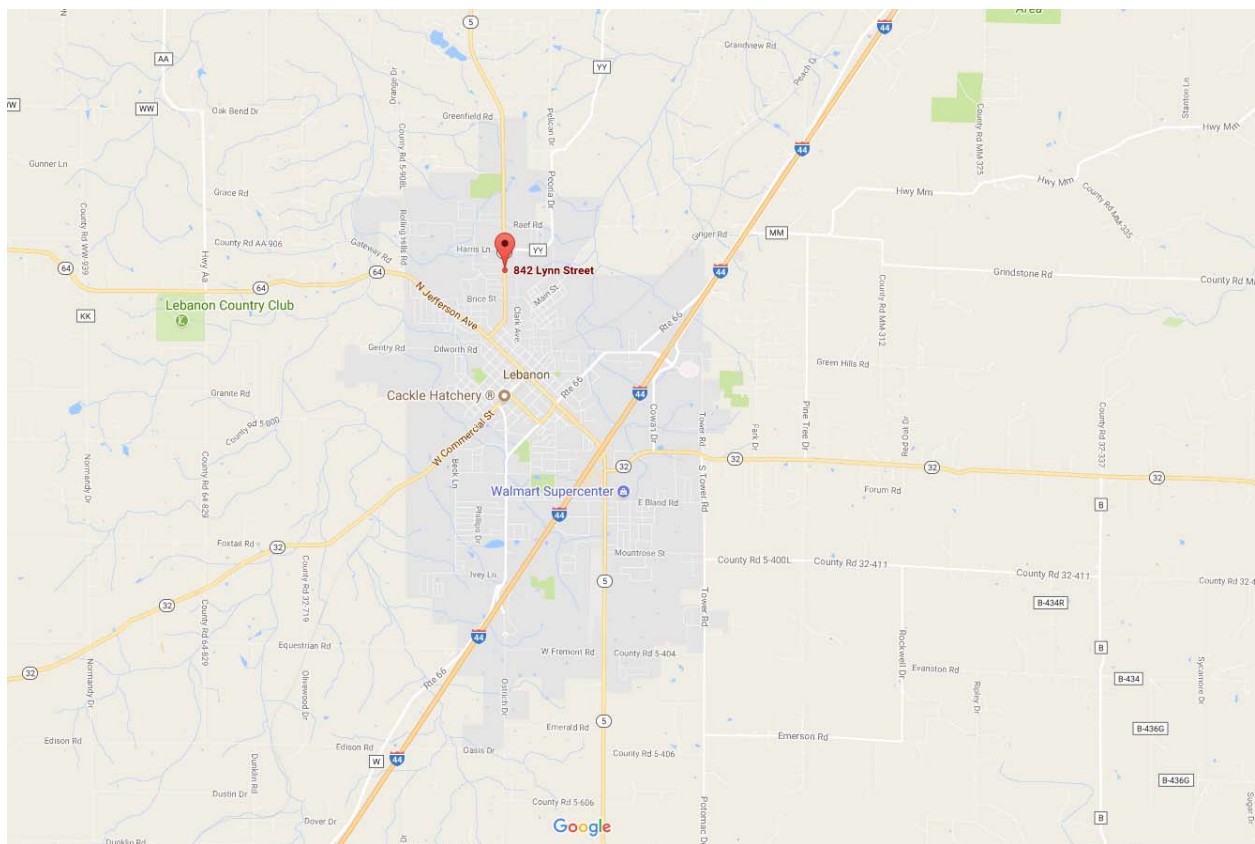
15. Provide copies of any petitions, letters of support or opposition received.

Letters of support are attached. Additional letters of support will be forwarded as they are received.

No letters of opposition have been received as of the date of this application.

II-3: Legible City or County Map

(from Google Maps)

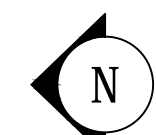


II-4: Site Plan

(Please see attached.)



1 SITE PLAN
A2 SCALE: 1/32" = 1'-0"



NOTE: CONTRACTOR SHALL OBTAIN AND VERIFY ALL DIMENSIONS AND CONDITIONS AT JOB SITE AND BE FULLY RESPONSIBLE FOR SAME.

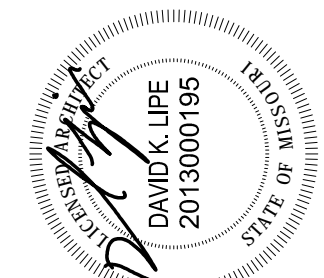
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DATE: 06-27-17

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Cedarhurst of Lebanon
Assisted Living and Memory Care
Lebanon, MO 65536



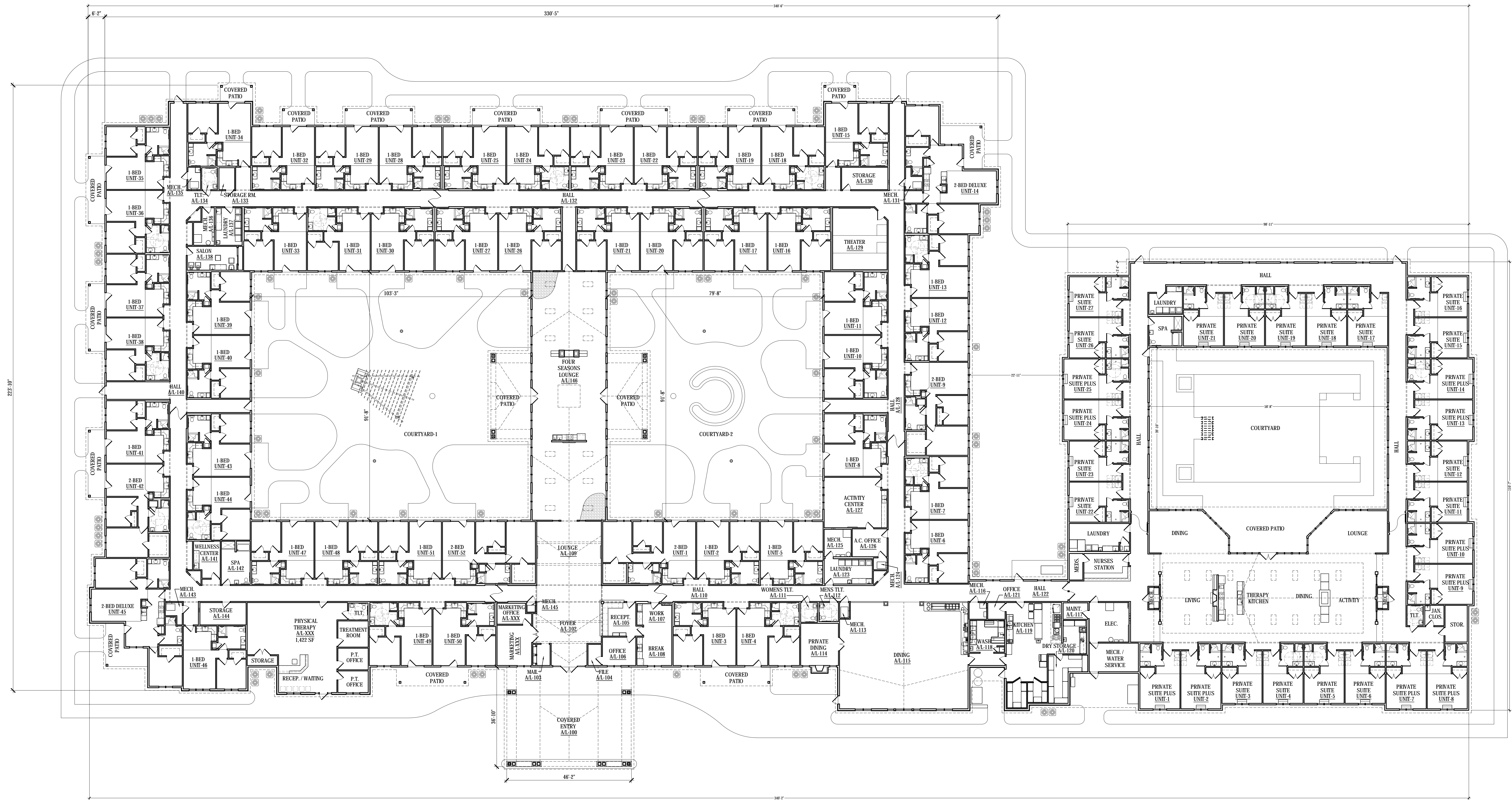
LIPE ARCHITECTURE
603 South Street
Normal, IL 62075
Phone: 312.662.7898
www.lipearchitecture.com



EXP. 06/27/17

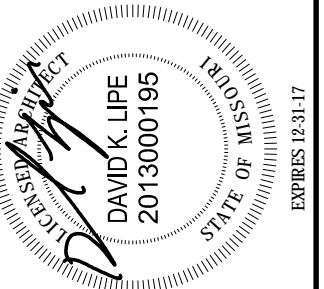
II-5: Schematic Drawings of the Proposed Project

(Please see attached.)



1 FLOOR PLAN - OVERALL
A1 SCALE: 1/8" = 1'-0"

TOTAL ASSISTED LIVING WING (INCLUDING PHYSICAL THERAPY AREA) - 50,642 SF - (52 UNITS)
TOTAL MEMORY CARE WING - 18,056 SF - (27 UNITS)
TOTAL BUILDING AREA - 68,698 SF - (90 BEDS)



LIPE ARCHITECTURE
DAVID A. LIPE
Principal
603 South Street
Noblesville, IN 46060
www.lipearchitecture.com
Phone: 317.562.7838
Fax: 317.562.7839



Cedarhurst of Lebanon
Assisted Living and Memory Care
Lebanon, MO 65236

A1

NOTE: CONTRACTOR SHALL OBTAIN AND VERIFY ALL DIMENSIONS AND CONDITIONS AT JOB SITE AND BE FULLY RESPONSIBLE FOR SAME.

PROJ. NO.: 1710
DATE: 08-27-17

FLOOR PLAN - OVERALL

II-6: Evidence that Architectural Plans Have Been Submitted to the Department of Health and Senior Services

(Please see attached.)

Brett Travers

From: Brett Travers
Sent: Tuesday, June 27, 2017 4:39 PM
To: 'David.East@health.mo.gov'
Subject: CON Project No. 5490 RS
Attachments: Letter to David East

Mr. East:

Pursuant to CON Project No. 5490 RS, Lebanon, Missouri Assisted Living Property Investment, LLC and Lebanon, Missouri Assisted Living Operating Company, LLC seek to increase the bed count for Lebanon Assisted Living to be managed by Cedarhurst Living, LLC from 50 (approved as CON Project No. 5189 RS) to 90 and, otherwise, re-design the facility. In connection therewith, proposed architectural and site plans are attached for your review. Please let me know if you have any questions or comments.

Thank you,

Brett

Brett J. Travers | Assistant General Counsel

Cedarhurst Assisted Living & Memory Care
120 South Central Ave | Suite 1050 | Clayton, MO 63105
Email: btravers@cedarhurstliving.com | Office: 314.932.2352 | Direct: 314.884.8825
<http://cedarhurstliving.com>



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cedarhurst

ASSISTED LIVING and MEMORY CARE

Brett J. Travers
Assistant General Counsel
Email: btravers@cedarhurstliving.com
Telephone: 314-884-2000

June 27, 2017

VIA E-MAIL TO David.East@health.mo.gov

David East, Design Engineer II
Division of Regulation and Licensure
Department of Health and Senior Services
3418 Knipp Drive
Jefferson City, MO 65109

**RE: Lebanon Assisted Living, 90 Bed Assisted Living Facility
842 Lynn Street, Lebanon, MO 65536
CON Project No. 5490 RS (To add 40 ALF Beds to CON Project No. 5189 RS)**

Dear Mr. East:

Attached please find preliminary architectural and site plans for the above-referenced 90-bed assisted living facility. These plans are being submitted in connection with the filing of a Certificate of Need Application.

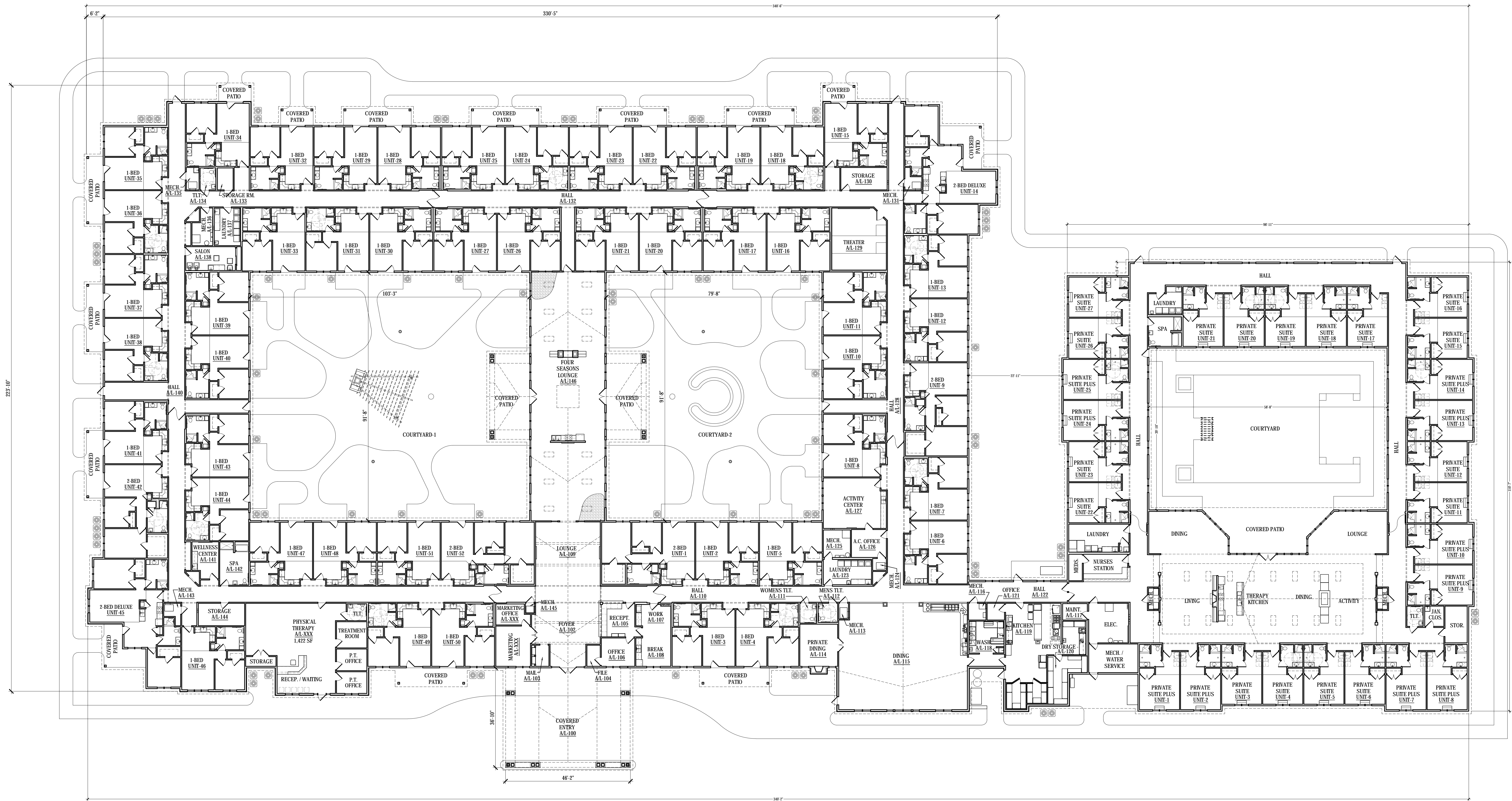
Please let me know if there are any questions or comments or if you need further information.

Respectfully submitted,

CEDARHURST LIVING, LLC

By: Brett J. Travers
Assistant General Counsel

Enclosures



1 FLOOR PLAN - OVERALL
A1 SCALE: 1/8" = 1'-0"

TOTAL ASSISTED LIVING WING (INCLUDING PHYSICAL THERAPY AREA) - 50,642 SF - (52 UNITS)
TOTAL MEMORY CARE WING - 18,056 SF - (27 UNITS)
TOTAL BUILDING AREA - 68,698 SF - (90 BEDS)

NOTE: CONTRACTOR SHALL OBTAIN AND VERIFY ALL DIMENSIONS AND CONDITIONS AT JOB SITE AND BE FULLY RESPONSIBLE FOR SAME.

PROJ. NO.: 1710
DATE: 06-27-17

FLOOR PLAN - OVERALL

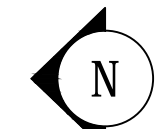
DOVER DEVELOPMENT
Cedarhurst of Lebanon
Assisted Living and Memory Care
Lebanon, MO 65236

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603 South Street
Noblesville, IN 46060
Phone: 317.562.7838
www.lipearchitecture.com

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1 SITE PLAN
A2 SCALE: 1/32" = 1'-0"



NOTE: CONTRACTOR SHALL OBTAIN AND VERIFY ALL DIMENSIONS AND CONDITIONS AT JOB SITE AND BE FULLY RESPONSIBLE FOR SAME.

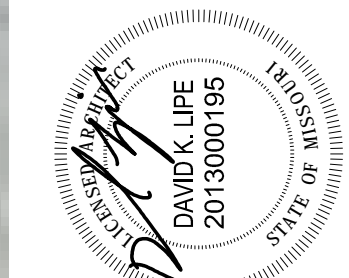
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Cedarhurst of Lebanon
Assisted Living and Memory Care
Lebanon, MO 65536



LIPE ARCHITECTURE
603 School Street
Normal, IL 62075
Phone: 312.660.7898
www.lipearchitecture.com



EXP. 03/31/17

II-8: Documentation of Ownership of the Project Site

(Please see attached.)

**ASSIGNMENT OF
PURCHASE AGREEMENTS**

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective June 27, 2017, **DOVER DEVELOPMENT, LLC** ("Assignor"), hereby assigns and transfers to **LEBANON, MISSOURI ASSISTED LIVING PROPERTY INVESTMENT, LLC** ("Assignee"), all of Assignor's right, title and interest, as Purchaser, in and to:

(i) that certain Purchase Agreement dated June 15, 2017, by and between Assignor and Michael K. Eilenstein as Trustee of the Michael K. Eilenstein Trust, Polly A. Eilenstein as Trustee of the Polly A. Eilenstein Trust, and Dayton A. Massey and Phyllis O. Massey, Co-Trustees of the Massey Family Trust, collectively as Seller; and

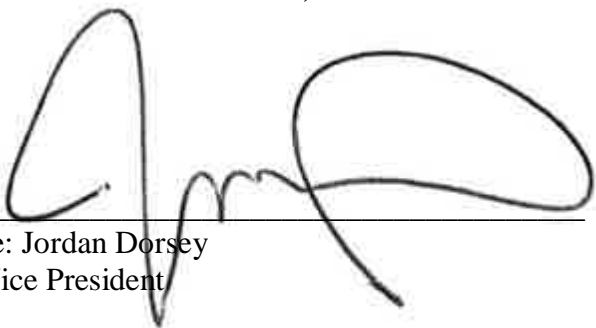
(ii) that certain Purchase Agreement dated June 7, 2017, by and between Assignor and Michael K. Eilenstein as Trustee of the Michael K. Eilenstein Trust and Polly A. Eilenstein as Trustee of the Polly A. Eilenstein Trust, collectively as Seller.

This assignment shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, this document was executed as of the day and year first set forth above.

ASSIGNOR:

DOVER DEVELOPMENT, LLC

By: 
Name: Jordan Dorsey
Its: Vice President

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (the "**Agreement**") is made effective as of the date of the last party to sign this Agreement ("**Effective Date**") by and between Michael K. Eilenstein, Trustee of the Michael K. Eilenstein Trust Agreement dated September 20, 2004, and Polly A. Eilenstein, Trustee of the Polly A. Eilenstein Trust Agreement dated September 20, 2004 (collectively the "**Seller**"), and Dover Development, LLC (the "**Purchaser**").

In consideration of mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser hereby agree as follows:

SECTION 1 THE PROPERTY

For the price and upon and subject to the terms, conditions and provisions herein set forth, Seller shall sell and convey to Purchaser and Purchaser shall purchase from Seller the parcel or parcels of real property containing approximately 4.6 acres located in Laclede County, Missouri, which real property is legally described in Exhibit A attached hereto and incorporated herein by reference, together with any and all estates, rights, privileges, easements and appurtenances belonging or in any way appertaining to or benefiting such real property (the "**Real Property**").

SECTION 2 PURCHASE PRICE, EARNEST DEPOSIT, AND LOAN PAYMENTS

- (a) The purchase price for the Real Property ("**Purchase Price**") shall be Two Hundred Ten Thousand and 00/100 Dollars (\$210,000.00), as adjusted in this Section 2. The Purchase Price, after application of adjustments as provided herein, shall be paid in cash on the Closing Date.
- (b) Within five (5) business days after full execution of this Agreement, Purchaser shall deposit with a title company to be selected by Purchaser, at Purchaser's discretion ("**Title Company**") an earnest money deposit in the amount of Five Thousand Dollars (\$5,000.00) be held in accordance with this Agreement ("**Earnest Money Deposit**"). The Earnest Money Deposit shall be applied to the Purchase Price at Closing.
- (c) Heritage Bank of the Ozarks (the "**Bank**") currently holds a promissory note ("**Seller's Note**") from Seller which is secured by a Deed of Trust on the Real Property. From and after the Effective Date, Purchaser shall pay when due, on Seller's behalf, to the Bank an amount equal to Seller's aggregate monthly payments on the Note accruing from and after the Effective Date prior to the Closing hereunder ("**Purchaser's Note Payments**"). The Purchase Price set forth in Section 2 (a) above shall be reduced by Purchaser's Note Payments. These payments are non-refundable if for any reason this sale does not occur.

SECTION 3 TITLE AND DEED

On the Closing Date, Seller shall sell and convey to Purchaser good and marketable title to the Real Property by General Warranty Deed (the "**Deed**"), subject only to the "**Permitted Exceptions**" (defined below).

SECTION 4 CONTINGENCIES

Purchaser shall have until the date which is ten (10) days prior to the Closing Date (as the same may be extended pursuant to Section 8) (the "**Due Diligence Period**") in which to satisfy and/or waive the following contingencies (collectively, "**Contingencies**").

(a) Title and Survey. Purchaser, at its expense, shall order a commitment for an owner's title insurance policy in respect of the Real Property from a title insurance company selected by Purchaser (the "**Title Company**"), in the amount of the Purchase Price, with exception only for the standard preprinted exceptions (except that those which relate to liens and parties in possession shall be removed by Seller at Closing), the lien of general real estate taxes for the year in which the closing occurs, and any other matters expressly approved by Purchaser (the "**Permitted Exceptions**"), it being understood that all deeds of trust and other encumbrances, if any, shall be discharged and released by Seller at or prior to Closing. Purchaser may also obtain an improvement survey of the Real Property locating all of the roadways, rights of way, utility and access easements, building lines and lines of possession, determining the acreage of the Real Property, and describing all improvements thereon and easements affecting the same all in form satisfactory to Purchaser for its intended use and sufficient to enable the Title Company to remove the standard exception for survey in the title policy. The title insurance commitment and surveys shall hereafter be sometimes collectively referred to as the "Title Evidence".

Purchaser shall notify Seller within thirty (30) days after receipt of the Title Evidence of any liens, claims, exceptions, or defects disclosed in the Title Evidence which do not constitute Permitted Exceptions, or any matters which are unacceptable to Purchaser, and notify Seller with respect to those items which interfere with Purchaser's proposed use of the Real Property or are unacceptable to Purchaser in its sole discretion (collectively, the "**Defects**"). Seller, at its sole cost and expense, shall use its best efforts to cure such Defects and cause them to be removed from the Title Evidence as soon as reasonably possible, but in no event later than thirty (30) days after delivery of Purchaser's notice. If Seller fails to cure all Defects, or if Seller fails to cause all Defects to be insured over by the Title Company, then Purchaser may terminate this Agreement by written notice to Seller within thirty (30) days after expiration of the cure period or waive the Defects and close on the sale.

(b) Title Insurance Policy. It shall be a condition to Purchaser's obligation to close hereunder that Purchaser receive and approve at Closing, at Purchaser's expense, an owner's policy of title insurance conforming in all respects with the conditions, if any, set forth in Purchaser's acceptance of the Commitment for such policy pursuant to subsection (a) of this Section 4.

(c) Inspections and Tests. Purchaser shall have the right, during the Due Diligence Period and at Purchaser's sole cost and expense, to perform any other inspections and tests (including, but not limited to, environmental investigations, soil borings and other property investigations) of the Real Property (collectively, "**Inspections**"). If any such Inspections disclose any matters which are unacceptable to Purchaser in its reasonable discretion, Purchaser shall notify Seller in writing prior to the expiration of the Due Diligence Period. In the event Purchaser fails to timely notify Seller of any unacceptable matters disclosed by any Inspections prior to the expiration of the Due Diligence Period, it shall be deemed that all Inspections with respect to the Property are acceptable, and that Purchaser has waived all contingencies with respect to such Inspections. In the event Purchaser timely notifies Seller of any unacceptable matters disclosed by any Inspections, Seller shall have the right to cure all unacceptable matters disclosed by any Inspections, by notifying Purchaser of Seller's election to cure no later than ten (10) business days after receiving Purchaser's notice of the unacceptable matters in the Inspections. In the event Seller elects to cure any unacceptable matters disclosed by any Inspections, Seller shall have a reasonable period of time not to exceed the earlier of thirty (30) days after Seller's election to cure or the Closing Date in which to complete the same. In the event Seller elects not to cure any unacceptable matters disclosed by any Inspections, or Seller fails to notify Purchaser of its election within said ten (10) business days, this Agreement shall automatically be null and void, unless Purchaser notifies Seller in writing within five (5) business days after the expiration of Seller's ten (10) business day election period (fifteen (15) business days after Purchaser's notice of the unacceptable matters in the Inspections), that Purchaser elects to waive all unacceptable matters disclosed by any Inspections other than those matters which Seller has agreed to cure.

(d) Financing. It shall be a condition to Purchaser's obligation to close hereunder that Purchaser obtains financing for the purchase on terms acceptable to Purchaser in Purchaser's sole discretion.

(e) Examinations/Suitability. Purchaser shall have the right, during the Due Diligence Period, and at Purchaser's sole cost to conduct such studies, evaluations and other examinations (including environmental studies) (collectively "**Examinations**") as it may elect in its sole judgment, to determine the suitability of the Real Property for Purchaser's intended purposes. If the Examinations disclose matters which make the Real Property unsuitable for Purchaser's purposes in Purchaser's sole discretion, then Purchaser may terminate this Agreement by giving written notice within such Due Diligence Period to Seller, in which event the parties hereto shall have no further obligations hereunder.

(f) Laws, Ordinances, Conditions, or Restrictions. Purchaser shall have the right, during the Due Diligence Period, and at Purchaser's sole cost to determine, in its sole discretion, whether there are any federal, state or local laws, ordinances, rules, regulations, codes, zoning codes, building ordinances or orders or any covenants or restrictions affecting or running with the Real Property which would prohibit, prevent, delay, interfere with or impair the feasibility of Purchaser's intended use, development or improvement of the Real Property for Purchaser's use. If this condition is not satisfied within such Due Diligence Period, then Purchaser may terminate this Agreement by giving written notice within such Due Diligence Period to Seller, in which event the parties hereto shall have no further obligations hereunder.

(g) Certificate of Need. It shall be a condition to Purchaser's obligation to close hereunder that Purchaser obtains a Certificate of Need for an Assisted Living Facility from the State of Missouri Department of Health and Senior Services on terms satisfactory to Purchaser in its sole discretion.

If Purchaser terminates this Agreement for any reason pursuant to this Section 4, the Earnest Money Deposit shall be promptly returned to Purchaser, less the amount of \$500, which shall represent Purchaser's consideration for Purchaser's right to inspect the Real Property.

SECTION 5 PRORATION OF TAXES

Real property taxes for the year in which Closing occurs shall be prorated and adjusted as is customary under Missouri law.

SECTION 6 REPRESENTATIONS AND WARRANTIES OF SELLER

In order to induce Purchaser to purchase the Real Property, Seller represents and warrants to Purchaser as follows:

(a) At or prior to Closing, Seller shall have obtained all requisite approvals and consents and shall have consummated all requisite action for the sale of the Real Property to Purchaser, and Seller has full power and authority to execute and deliver a General Warranty Deed conveying fee simple title to the Property in accordance with the terms of this Agreement, and, no unrecorded liens, encumbrances, or adverse claims exist with respect to the Property or any portion thereof;

(b) Seller has not received any notice or communication from any governmental entity indicating that a condition, including but not limited to an environmental condition, exists with respect to the Real Property or with respect to the improvements thereon which violates any city, county, state or federal law, ordinance, regulation or code or any notice or communication from an insurance carrier of the Real Property regarding dangerous, illegal or other conditions requiring corrective action. In the event that Seller receives any of such notices between the date of execution and delivery of this Agreement and Closing, and if Seller is unable to rectify such condition prior to Closing, then Seller shall so advise Purchaser and Purchaser shall have the right to terminate this Agreement;

(c) Seller has received no notice of any litigation or proceeding pending against or relating to the Real Property and, to Seller's knowledge, no such litigation or proceeding is threatened. In the event that Seller receives any such notice between the date of execution and delivery of this Agreement and Closing, Seller shall advise Purchaser of same, and Purchaser shall have the right to declare this Agreement to be null and void by written notice to Seller within thirty (30) days of the date Purchaser was advised of such matter by Seller, unless Seller secures the release or dismissal of such litigation or proceeding prior to Closing, or agrees to indemnify

Purchaser against the consequences thereof, with security for such indemnification reasonably acceptable to Purchaser;

(d) To the best of Seller's actual knowledge, Seller did not, in fact, create, store or dispose of any hazardous substances, hazardous wastes or toxic substances as those terms are defined under CERCLA, 42 U.S.C. 9601 et seq., RCRA 42 U.S.C. 6901 et seq., or TSCA, 15 U.S.C. 2601 et seq. (excluding petroleum products), on or below the Real Property; and

(e) There are no agreements affecting the Real Property that will be binding on Purchaser from and after the Closing.

SECTION 7 CONDEMNATION

In the event between the date of this Agreement and the Closing Date, any condemnation or eminent domain proceedings are initiated which might result in the taking of any part of the Real Property or the taking or closing of any right of access to the Real Property, Purchaser may (1) terminate this Agreement by written notice to Seller, or (2) proceed with the Closing, in which event Seller shall assign to Purchaser all of Seller's right, title and interest in and to any award made in connection with such condemnation or eminent domain proceedings.

SECTION 8 CLOSING

(a) Closing Date. Provided all contingencies and all other conditions to Closing set forth in this Agreement have been satisfied or waived by Purchaser and/or Seller, and this Agreement has not been terminated by either party in accordance with provisions herein set forth, the transaction contemplated herein shall be closed upon the earlier of (i) December 31, 2017 or (ii) thirty (30) days after Purchaser's satisfaction or waiver of all Contingencies (the "**Closing Date**"), or such other date mutually agreed upon by the parties. Purchaser may extend the Closing Date to March 30, 2018, by written notice to Seller and by depositing with St. Louis Title Company ("**Title Company**") Ten Thousand Dollars (\$10,000.00) within ten (10) business days of the date of such notice, which deposit shall be added to and considered part of the "Earnest Money Deposit". The Closing hereunder shall be conditioned to and contingent upon Purchaser's simultaneous closing on the adjacent parcels of real estate identified as PIN 13100202100100600 and PIN 13100202100100601.

(b) Closing Procedure. The transaction contemplated herein shall be closed in accordance with the following procedure:

(1) Delivery of Documents by Seller. On or before the Closing Date, Seller shall deliver or cause to be delivered the following:

(i) Full releases of all mortgages, deeds of trust and other financing instruments affecting the Real Property, duly executed by the holders thereof, acknowledged and in proper form for recording;

- (ii) The Deed, subject only to the Permitted Exceptions; and
- (iii) A closing statement prepared by the Title Company showing the Purchase Price and all charges and credits provided for herein;
- (iv) Such other documents, instruments, certificates and assurances as shall be required by the provisions of this Agreement (including, but not limited to, documents evidencing cure of any unacceptable matters relating to the Survey and/or Inspections); and
- (v) Such affidavits, other evidence of title, certificates of good standing, resolutions, consents and the like from Seller as may be required by the Title Company, on or in forms customarily used by the Title Company, in order to issue the owner's policy of title insurance as specified in Paragraph 4(b) hereof for the coverage required hereunder by Purchaser.

(2) Deliveries by Purchaser. On or before the Closing Date, Purchaser shall deliver or cause to be delivered the following:

- (i) The Purchase Price due at closing, adjusted as herein provided, all as shown on Purchaser's closing statement; and
- (ii) A closing statement prepared by the Title Company showing the Purchase Price and all charges and credits provided for herein; and
- (iii) Such other documents, instruments, certificates and assurances as shall be required by the provisions of this Agreement.

(c) Closing Costs. Seller shall pay for Seller's attorney's fees, if any, and one-half of Title Company closing costs. Purchaser shall pay for the cost of the Title Policy, Survey, one-half of Title Company closing costs and for Purchaser's attorney's fees.

SECTION 9 POSSESSION

Exclusive possession of the Real Property shall be delivered to Purchaser on the Closing Date.

SECTION 10 ACCESS BY PURCHASER; INDEMNITY

From the Effective Date of this Agreement until the Closing Date, Purchaser and its agents and designees shall have the right to go upon the Real Property for the purpose of inspecting the same and making such tests, inquiries and examinations as Purchaser shall deem necessary. Upon completion thereof, Purchaser shall, at its sole expense, cause the Real Property to be restored to substantially the same condition it was in prior to such entry (unless Purchaser closes its acquisition

of the Real Property, in which event Purchaser need not make such restoration), and shall indemnify and hold Seller harmless of and from all claims for bodily injury or property damage which may be asserted against Seller by reason of the foregoing entry and activities.

SECTION 11 NON-DISCLOSURE

Seller acknowledges that, in connection with the due diligence regarding the transaction contemplated hereby, Seller may have access to confidential information regarding Purchaser, including but not limited to, information concerning Purchaser's intended usage of the Real Property. Therefore, Purchaser agrees that it shall take all steps necessary to hold and maintain such confidential information in confidence and not to disclose it to any third party, and not use the confidential information in any way which would be detrimental to Seller.

SECTION 12 DEFAULT

In the event Seller defaults under or breaches this Agreement and Purchaser has performed the terms described herein, Purchaser shall be entitled to pursue all remedies available at law or in equity, including enforcing specific performance of this Agreement. In the event Purchaser defaults under or breaches this Agreement and Seller has performed the terms described herein, Seller shall be entitled to pursue all remedies available at law or in equity. Any remedies provided to a party under this Agreement shall not be deemed exclusive, but shall be in addition to all other available remedies.

SECTION 13 BROKERS

The parties hereby represent and warrant to one another that they have not dealt with any broker or finder in respect to the transaction contemplated hereby. Each party hereby agrees to indemnify, defend and hold the other harmless from and against any and all claims, causes of action, losses, damages, liabilities, judgments, settlements and expenses (including, without limitation, attorneys' fees) that the other may sustain or incur by reason of its breach of the foregoing representation and warranty.

SECTION 14 OFFER AND ACCEPTANCE

The execution of this document on behalf of Purchaser and its delivery to Seller shall be deemed an offer to enter into this Agreement on the terms and subject to the conditions set forth herein. Seller may accept the offer by causing a fully executed counterpart of this Agreement to be delivered to Purchaser. This offer shall expire, if not previously accepted, at 12:00 p.m. (Central Time) on June 14, 2017.

SECTION 15 NOTICES

Any notices or other communications required or contemplated under this Agreement shall be in writing and personally delivered, evidenced by a signed receipt, or mailed by certified mail, return receipt requested, postage prepaid, to the addresses indicated below or to such other person or address as the parties may, from time to time, provide by notice to the other. The date of notice shall be the date of delivery of the notice if personally delivered or three days from the date of mailing if the notice is mailed by certified mail.

To Seller: 2630 Waterman Drive
Lebanon, Missouri 65536

To Buyer: _____
120 S. Central Avenue, Suite 1050
Clayton, Missouri 63105
Attn: Joshua Jennings
Jordan Dorsey

SECTION 16 ENTIRE AGREEMENT; AMENDMENT

This Agreement contains the entire agreement with respect to the transactions contemplated herein, and there are no other terms, conditions, promises, understandings, statements or representations, express or implied, concerning the same. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the parties unless reduced to writing and signed by them.

SECTION 17 SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and bind the parties hereto and their respective successors and assigns. At or prior to Closing, Purchaser may assign its rights and interests hereunder to any affiliate of Purchaser.

SECTION 18 TIME OF THE ESSENCE

Time is of the essence, and all deadlines set forth herein shall be strictly adhered to by the parties.

[Remainder of this page is blank]

SIGNATURE PAGE TO PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the dates set forth below.

PURCHASER:

Dover Development, LLC

By: 

Name: Jordan Dorsey, Vice President

Dated: June 6, 2017

Accepted by Seller the 7 day of June, 2017.

SELLER:


Michael K. Eilenstein, Trustee of the Michael K. Eilenstein Trust Agreement dated September 20, 2004

By: 

Name: _____

Dated: 6-7-2017

Polly A. Eilenstein, Trustee of the Polly A. Eilenstein Trust Agreement dated September 20, 2004

By: 

Name: _____

Dated: 6-7-2017

EXHIBIT A

Legal Description

Beginning at a point where the center line of Highway 5 intersects with the North line of the West Half of Lot 1 of the Northwest Quarter, Section 2, Township 34 North, Range 16 West of the Fifth Principal Meridian, Laclede County, Missouri, thence North 20 feet along said centerline; thence East and parallel with said North line of the West Half of Lot 1 of the Northwest Quarter, 660 feet, thence South 330 feet, thence West and parallel to the North line of the West Half of Lot 1 of the Northwest Quarter to the centerline of Highway 5, thence North to the point of beginning, EXCEPT the right of way of Missouri State Highway No. 5 and except the right of way of Clark Street extension, as described in Book 222, Page 3883-86, Recorder's Office of Laclede County, Missouri. Subject to and except any part thereof deeded, taken or used for road of highway purposes.

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (the "**Agreement**") is made effective as of the date of the last party to sign this Agreement ("**Effective Date**") by and between the Michael K. Eilenstein as Trustee of the Michael K. Eilenstein Trust, Polly A. Eilenstein as Trustee of the Polly A. Eilenstein Trust, and Dayton A. Massey and Phyllis O. Massey, Co-Trustees of the Massey Family Trust (collectively the "**Seller**"), and Dover Development, LLC (the "**Purchaser**").

In consideration of mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser hereby agree as follows:

SECTION 1 THE PROPERTY

For the price and upon and subject to the terms, conditions and provisions herein set forth, Seller shall sell and convey to Purchaser and Purchaser shall purchase from Seller the parcel or parcels of real property containing approximately 11.84 acres located in Laclede County, Missouri, PIN 13100202100100600 and PIN 13100202100100601, together with any and all estates, rights, privileges, easements and appurtenances belonging or in any way appertaining to or benefiting such real property (collectively, the "**Real Property**").

SECTION 2 PURCHASE PRICE, EARNEST DEPOSIT, AND LOAN PAYMENTS

(a) The purchase price for the Real Property ("**Purchase Price**") shall be Five Hundred Twenty-Five Thousand and 00/100 Dollars (\$525,000.00), as adjusted in this Section 2. The Purchase Price, after application of adjustments as provided herein, shall be paid in cash on the Closing Date.

(b) Within five (5) business days after full execution of this Agreement, Purchaser shall deposit with a title company to be selected by Purchaser, at Purchaser's discretion ("**Title Company**") an earnest money deposit in the amount of Five Thousand Dollars (\$5,000.00) be held in accordance with this Agreement ("**Earnest Money Deposit**"). The Earnest Money Deposit shall be applied to the Purchase Price at Closing.

SECTION 3 TITLE AND DEED

On the Closing Date, Seller shall sell and convey to Purchaser good and marketable title to the Real Property by General Warranty Deed (the "**Deed**"), subject only to the "**Permitted Exceptions**" (defined below).

SECTION 4 CONTINGENCIES

Purchaser shall have until the date which is ten (10) days prior to the Closing Date (as the same may be extended pursuant to Section 8) (the "**Due Diligence Period**") in which to satisfy and/or waive the following contingencies (collectively, "**Contingencies**").

(a) Title and Survey. Purchaser, at its expense, shall order a commitment for an owner's title insurance policy in respect of the Real Property from a title insurance company selected by Purchaser (the "**Title Company**"), in the amount of the Purchase Price, with exception only for the standard preprinted exceptions (except that those which relate to liens and parties in possession shall be removed by Seller at Closing), the lien of general real estate taxes for the year in which the closing occurs, and any other matters expressly approved by Purchaser (the "**Permitted Exceptions**"), it being understood that all deeds of trust and other encumbrances, if any, shall be discharged and released by Seller at or prior to Closing. Purchaser may also obtain an improvement survey of the Real Property locating all of the roadways, rights of way, utility and access easements, building lines and lines of possession, determining the acreage of the Real Property, and describing all improvements thereon and easements affecting the same all in form satisfactory to Purchaser for its intended use and sufficient to enable the Title Company to remove the standard exception for survey in the title policy. The title insurance commitment and surveys shall hereafter be sometimes collectively referred to as the "Title Evidence".

Purchaser shall notify Seller within thirty (30) days after receipt of the Title Evidence of any liens, claims, exceptions, or defects disclosed in the Title Evidence which do not constitute Permitted Exceptions, or any matters which are unacceptable to Purchaser, and notify Seller with respect to those items which interfere with Purchaser's proposed use of the Real Property or are unacceptable to Purchaser in its sole discretion (collectively, the "**Defects**"). Seller, at its sole cost and expense, shall use its best efforts to cure such Defects and cause them to be removed from the Title Evidence as soon as reasonably possible, but in no event later than thirty (30) days after delivery of Purchaser's notice. If Seller fails to cure all Defects, or if Seller fails to cause all Defects to be insured over by the Title Company, then Purchaser may terminate this Agreement by written notice to Seller within thirty (30) days after expiration of the cure period or waive the Defects and close on the sale.

(b) Title Insurance Policy. It shall be a condition to Purchaser's obligation to close hereunder that Purchaser receive and approve at Closing, at Purchaser's expense, an owner's policy of title insurance conforming in all respects with the conditions, if any, set forth in Purchaser's acceptance of the Commitment for such policy pursuant to subsection (a) of this Section 4.

(c) Inspections and Tests. Purchaser shall have the right, during the Due Diligence Period and at Purchaser's sole cost and expense, to perform any other inspections and tests (including, but not limited to, environmental investigations, soil borings and other property investigations) of the Real Property (collectively, "**Inspections**"). If any such Inspections disclose any matters which are unacceptable to Purchaser in its reasonable discretion, Purchaser shall notify Seller in writing prior to the expiration of the Due Diligence Period. In the event Purchaser fails to timely notify Seller of any unacceptable matters disclosed by any Inspections prior to the

expiration of the Due Diligence Period, it shall be deemed that all Inspections with respect to the Property are acceptable, and that Purchaser has waived all contingencies with respect to such Inspections. In the event Purchaser timely notifies Seller of any unacceptable matters disclosed by any Inspections, Seller shall have the right to cure all unacceptable matters disclosed by any Inspections, by notifying Purchaser of Seller's election to cure no later than ten (10) business days after receiving Purchaser's notice of the unacceptable matters in the Inspections. In the event Seller elects to cure any unacceptable matters disclosed by any Inspections, Seller shall have a reasonable period of time not to exceed the earlier of thirty (30) days after Seller's election to cure or the Closing Date in which to complete the same. In the event Seller elects not to cure any unacceptable matters disclosed by any Inspections, or Seller fails to notify Purchaser of its election within said ten (10) business days, this Agreement shall automatically be null and void, unless Purchaser notifies Seller in writing within five (5) business days after the expiration of Seller's ten (10) business day election period (fifteen (15) business days after Purchaser's notice of the unacceptable matters in the Inspections), that Purchaser elects to waive all unacceptable matters disclosed by any Inspections other than those matters which Seller has agreed to cure.

(d) Financing. It shall be a condition to Purchaser's obligation to close hereunder that Purchaser obtains financing for the purchase on terms acceptable to Purchaser in Purchaser's sole discretion.

(e) Examinations/Suitability. Purchaser shall have the right, during the Due Diligence Period, and at Purchaser's sole cost to conduct such studies, evaluations and other examinations (including environmental studies) (collectively "**Examinations**") as it may elect in its sole judgment, to determine the suitability of the Real Property for Purchaser's intended purposes. If the Examinations disclose matters which make the Real Property unsuitable for Purchaser's purposes in Purchaser's sole discretion, then Purchaser may terminate this Agreement by giving written notice within such Due Diligence Period to Seller, in which event the parties hereto shall have no further obligations hereunder.

(f) Laws, Ordinances, Conditions, or Restrictions. Purchaser shall have the right, during the Due Diligence Period, and at Purchaser's sole cost to determine, in its sole discretion, whether there are any federal, state or local laws, ordinances, rules, regulations, codes, zoning codes, building ordinances or orders or any covenants or restrictions affecting or running with the Real Property which would prohibit, prevent, delay, interfere with or impair the feasibility of Purchaser's intended use, development or improvement of the Real Property for Purchaser's use. If this condition is not satisfied within such Due Diligence Period, then Purchaser may terminate this Agreement by giving written notice within such Due Diligence Period to Seller, in which event the parties hereto shall have no further obligations hereunder.

(g) Certificate of Need. It shall be a condition to Purchaser's obligation to close hereunder that Purchaser obtains a Certificate of Need for an Assisted Living Facility from the State of Missouri Department of Health and Senior Services on terms satisfactory to Purchaser in its sole discretion.

If Purchaser terminates this Agreement for any reason pursuant to this Section 4, the Earnest Money Deposit shall be promptly returned to Purchaser, less the amount of \$500, which shall represent Purchaser's consideration for Purchaser's right to inspect the Real Property.

SECTION 5 PRORATION OF TAXES

Real property taxes for the year in which Closing occurs shall be prorated and adjusted as is customary under Missouri law.

SECTION 6 REPRESENTATIONS AND WARRANTIES OF SELLER

In order to induce Purchaser to purchase the Real Property, Seller represents and warrants to Purchaser as follows:

(a) At or prior to Closing, Seller shall have obtained all requisite approvals and consents and shall have consummated all requisite action for the sale of the Real Property to Purchaser, and Seller has full power and authority to execute and deliver a General Warranty Deed conveying fee simple title to the Property in accordance with the terms of this Agreement, and, no unrecorded liens, encumbrances, or adverse claims exist with respect to the Property or any portion thereof;

(b) Seller has not received any notice or communication from any governmental entity indicating that a condition, including but not limited to an environmental condition, exists with respect to the Real Property or with respect to the improvements thereon which violates any city, county, state or federal law, ordinance, regulation or code or any notice or communication from an insurance carrier of the Real Property regarding dangerous, illegal or other conditions requiring corrective action. In the event that Seller receives any of such notices between the date of execution and delivery of this Agreement and Closing, and if Seller is unable to rectify such condition prior to Closing, then Seller shall so advise Purchaser and Purchaser shall have the right to terminate this Agreement;

(c) Seller has received no notice of any litigation or proceeding pending against or relating to the Real Property and, to Seller's knowledge, no such litigation or proceeding is threatened. In the event that Seller receives any such notice between the date of execution and delivery of this Agreement and Closing, Seller shall advise Purchaser of same, and Purchaser shall have the right to declare this Agreement to be null and void by written notice to Seller within thirty (30) days of the date Purchaser was advised of such matter by Seller, unless Seller secures the release or dismissal of such litigation or proceeding prior to Closing, or agrees to indemnify Purchaser against the consequences thereof, with security for such indemnification reasonably acceptable to Purchaser;

(d) To the best of Seller's actual knowledge, Seller did not, in fact, create, store or dispose of any hazardous substances, hazardous wastes or toxic substances as those terms are

defined under CERCLA, 42 U.S.C. 9601 et seq., RCRA 42 U.S.C. 6901 et seq., or TSCA, 15 U.S.C. 2601 et seq. (excluding petroleum products), on or below the Real Property; and

(e) There are no agreements affecting the Real Property that will be binding on Purchaser from and after the Closing.

SECTION 7 CONDEMNATION

In the event between the date of this Agreement and the Closing Date, any condemnation or eminent domain proceedings are initiated which might result in the taking of any part of the Real Property or the taking or closing of any right of access to the Real Property, Purchaser may (1) terminate this Agreement by written notice to Seller, or (2) proceed with the Closing, in which event Seller shall assign to Purchaser all of Seller's right, title and interest in and to any award made in connection with such condemnation or eminent domain proceedings.

SECTION 8 CLOSING

(a) Closing Date. Provided all contingencies and all other conditions to Closing set forth in this Agreement have been satisfied or waived by Purchaser and/or Seller, and this Agreement has not been terminated by either party in accordance with provisions herein set forth, the transaction contemplated herein shall be closed upon the earlier of (i) December 31, 2017 or (ii) thirty (30) days after Purchaser's satisfaction or waiver of all Contingencies (the "**Closing Date**"), or such other date mutually agreed upon by the parties. Purchaser may extend the Closing Date to March 30, 2018, by written notice to Seller and by depositing with St. Louis Title Company ("**Title Company**") Ten Thousand Dollars (\$10,000.00) within ten (10) business days of the date of such notice, which deposit shall be added to and considered part of the "Earnest Money Deposit". The Closing hereunder shall be conditioned to and contingent upon Purchaser's simultaneous closing on the adjacent parcel of real estate identified as PIN 13100202100100500.

(b) Closing Procedure. The transaction contemplated herein shall be closed in accordance with the following procedure:

(1) Delivery of Documents by Seller. On or before the Closing Date, Seller shall deliver or cause to be delivered the following:

- (i) Full releases of all mortgages, deeds of trust and other financing instruments affecting the Real Property, duly executed by the holders thereof, acknowledged and in proper form for recording;
- (ii) The Deed, subject only to the Permitted Exceptions; and
- (iii) A closing statement prepared by the Title Company showing the Purchase Price and all charges and credits provided for herein;

- (iv) Such other documents, instruments, certificates and assurances as shall be required by the provisions of this Agreement (including, but not limited to, documents evidencing cure of any unacceptable matters relating to the Survey and/or Inspections); and
- (v) Such affidavits, other evidence of title, certificates of good standing, resolutions, consents and the like from Seller as may be required by the Title Company, on or in forms customarily used by the Title Company, in order to issue the owner's policy of title insurance as specified in Paragraph 4(b) hereof for the coverage required hereunder by Purchaser.

(2) Deliveries by Purchaser. On or before the Closing Date, Purchaser shall deliver or cause to be delivered the following:

- (i) The Purchase Price due at closing, adjusted as herein provided, all as shown on Purchaser's closing statement; and
- (ii) A closing statement prepared by the Title Company showing the Purchase Price and all charges and credits provided for herein; and
- (iii) Such other documents, instruments, certificates and assurances as shall be required by the provisions of this Agreement.

(c) Closing Costs. Seller shall pay for Seller's attorney's fees, if any, and one-half of Title Company closing costs. Purchaser shall pay for the cost of the Title Policy, Survey, one-half of Title Company closing costs and for Purchaser's attorney's fees.

SECTION 9 POSSESSION

Exclusive possession of the Real Property shall be delivered to Purchaser on the Closing Date.

SECTION 10 ACCESS BY PURCHASER; INDEMNITY

From the Effective Date of this Agreement until the Closing Date, Purchaser and its agents and designees shall have the right to go upon the Real Property for the purpose of inspecting the same and making such tests, inquiries and examinations as Purchaser shall deem necessary. Upon completion thereof, Purchaser shall, at its sole expense, cause the Real Property to be restored to substantially the same condition it was in prior to such entry (unless Purchaser closes its acquisition of the Real Property, in which event Purchaser need not make such restoration), and shall indemnify and hold Seller harmless of and from all claims for bodily injury or property damage which may be asserted against Seller by reason of the foregoing entry and activities.

SECTION 11 NON-DISCLOSURE

Seller acknowledges that, in connection with the due diligence regarding the transaction contemplated hereby, Seller may have access to confidential information regarding Purchaser, including but not limited to, information concerning Purchaser's intended usage of the Real Property. Therefore, Purchaser agrees that it shall take all steps necessary to hold and maintain such confidential information in confidence and not to disclose it to any third party, and not use the confidential information in any way which would be detrimental to Seller.

SECTION 12 DEFAULT

In the event Seller defaults under or breaches this Agreement and Purchaser has performed the terms described herein, Purchaser shall be entitled to pursue all remedies available at law or in equity, including enforcing specific performance of this Agreement. In the event Purchaser defaults under or breaches this Agreement and Seller has performed the terms described herein, Seller shall be entitled to pursue all remedies available at law or in equity. Any remedies provided to a party under this Agreement shall not be deemed exclusive, but shall be in addition to all other available remedies.

SECTION 13 BROKERS

The parties hereby represent and warrant to one another that they have not dealt with any broker or finder in respect to the transaction contemplated hereby. Each party hereby agrees to indemnify, defend and hold the other harmless from and against any and all claims, causes of action, losses, damages, liabilities, judgments, settlements and expenses (including, without limitation, attorneys' fees) that the other may sustain or incur by reason of its breach of the foregoing representation and warranty.

SECTION 14 OFFER AND ACCEPTANCE

The execution of this document on behalf of Purchaser and its delivery to Seller shall be deemed an offer to enter into this Agreement on the terms and subject to the conditions set forth herein. Seller may accept the offer by causing a fully executed counterpart of this Agreement to be delivered to Purchaser. This offer shall expire, if not previously accepted, at 12:00 p.m. (Central Time) on June 14, 2017.

SECTION 15 NOTICES

Any notices or other communications required or contemplated under this Agreement shall be in writing and personally delivered, evidenced by a signed receipt, or mailed by certified mail, return receipt requested, postage prepaid, to the addresses indicated below or to such other person

or address as the parties may, from time to time, provide by notice to the other. The date of notice shall be the date of delivery of the notice if personally delivered or three days from the date of mailing if the notice is mailed by certified mail.

To Seller: Mike Eilenstein
 2630 Waterman Drive
 Lebanon, Missouri 65536

To Buyer: Dover Development, LLC
 120 S. Central Avenue, Suite 1050
 Clayton, Missouri 63105
 Attn: Joshua Jennings
 Jordan Dorsey

SECTION 16
ENTIRE AGREEMENT; AMENDMENT

This Agreement contains the entire agreement with respect to the transactions contemplated herein, and there are no other terms, conditions, promises, understandings, statements or representations, express or implied, concerning the same. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the parties unless reduced to writing and signed by them.

SECTION 17
SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and bind the parties hereto and their respective successors and assigns. At or prior to Closing, Purchaser may assign its rights and interests hereunder to any affiliate of Purchaser.

SECTION 18
TIME OF THE ESSENCE

Time is of the essence, and all deadlines set forth herein shall be strictly adhered to by the parties.

[Remainder of this page is blank]

SIGNATURE PAGE TO PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the dates set forth below.

PURCHASER:

Dover Development, LLC


By: 


Name: Jordan Dorsey, Vice President

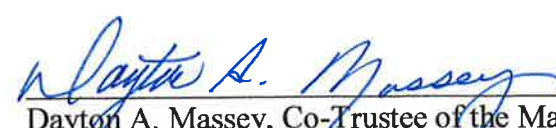
Dated: June 14, 2017

Accepted by Seller the 15 day of June, 2017.

SELLER:


Michael K. Eilenstein, Trustee of the Michael K.
Eilenstein Trust


Polly A. Eilenstein, Trustee of the Polly A.
Eilenstein Trust


Dayton A. Massey, Co-Trustee of the Massey
Family Trust


Phyllis O. Massey, Co-Trustee of the Massey
Family Trust

II-10: 2020 Population Projections

(Please see attached.)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	POPULATION			65+ Population	Project Number:			Project Address:		842 Lynn Street Lebanon, MO 65536					
2		Zip In Radius	Pop in Zip	City in Zip	City Pop	% of City in ZIP	City Pop in ZIP	Total Cities' Pop in Zip	Zip Pop W/O Cities' Pop	% of Zip Area in Radius	Zip Pop in Radius W/O Cities' Pop	% City in Zip & Radius	City Pop in Zip & Radius	Total Cities' Pop in Zip & Radius	Zip Pop w City Pop in Zip & Radius
3	1	65020	4,080				0	0	4,080	0%	0		0	0	0
4							0						0		
5							0						0		
6	2	65463	219				0	0	219	90%	197		0	0	197
7							0						0		
8							0						0		
9	3	65470	216				0	0	216	10%	22		0	0	22
10							0						0		
11							0						0		
12	4	65536	6,123				0	0	6,123	100%	6,123		0	0	6,123
13							0						0		
14							0						0		
15	5	65556	1,140				0	0	1,140	20%	228		0	0	228
16							0						0		
17							0						0		
18	6	65567	288				0	0	288	90%	259		0	0	259
19							0						0		
20							0						0		
21	7	65590	220				0	0	220	40%	88		0	0	88
22							0						0		
23							0						0		
24	8	65591	306				0	0	306	0%	0		0	0	0
25							0						0		
26							0						0		
27	9	65622	2,025				0	0	2,025	0%	0		0	0	0
28							0						0		
29							0						0		
30	10	65632	635				0	0	635	40%	254		0	0	254
31							0						0		
32							0						0		
33	11	65662	246				0	0	246	20%	49		0	0	49
34							0						0		
35							0						0		
36	12	65713	512				0	0	512	0%	0		0	0	0
37							0						0		
38							0						0		
39	13	65722	385				0	0	385	100%	385		0	0	385
40							0						0		
41							0						0		
42	14	65764	259				0	0	259	10%	26		0	0	26
43							0						0		
44							0						0		
45	15	65783	33				0	0	33	50%	17		0	0	17
46							0						0		
47							0						0		
48			16,687		0		0	0	16,687		7,648		0	0	7,648
49															
50	Rev. 05/2013														

II-14: Affidavit of Publication

(Please see attached.)

AFFIDAVIT OF PUBLICATION

[illegible]

LEGAL NOTICE

Lebanon, Missouri Assisted Living Property Investment, LLC and Lebanon, Missouri Assisted Living Operating Company, LLC (collectively, "Developer") seek a Certificate of Need from the Missouri Health Facilities Review Committee ("MHFRC") to allow Developer to increase the number of beds at its proposed assisted living facility to be located at 842 Lynn Street, Lebanon, MO 65536 from 50 (approved as Project No. 5189 RS by the MHFRC on July 13, 2015) to 90. Developer's application (Project No. 5490RS) will be filed on or before June 30, 2017.

Please address all comments to Project Manager, c/o Lebanon Assisted Living Property Investment, LLC, 337 West Lockwood, St. Louis, MO 63119.

(06)-21

I, Matt Wright, being duly sworn according to law, state that I am the Publisher of The Lebanon Daily Record, a daily newspaper of general circulation in the County of Laclede, State of Missouri, where located; which newspaper has been admitted to the Post Office as periodical class matter in the City of Lebanon, Missouri, the city of publication; which newspaper has been published regularly and consecutively for a period of three years and has a list of bona fide subscribers, voluntarily engaged as such who have paid or agreed to pay a stated price for a subscription for a definite period of time, and that such newspaper has complied with the provisions of Section 493.050, Revised Statutes of Missouri 2000, and Section 59.310. Revised Statutes of Missouri 2000. The affixed notice appeared in said newspaper in the following consecutive issues:

Vol 72, No 146, day of 21, month of June, 2017
 Vol _____, No _____, day of _____, month of _____, 20____
 Vol _____, No _____, day of _____, month of _____, 20____
 Vol _____, No _____, day of _____, month of _____, 20____
 Vol _____, No _____, day of _____, month of _____, 20____
 Vol _____, No _____, day of _____, month of _____, 20____

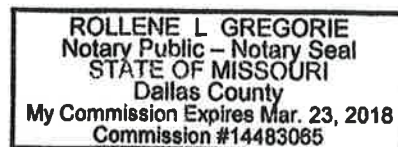
Matt Wright, Publisher

Subscribed and sworn to before me this 22 day of June 2017

Rollene L. Gregorie, Notary Public in and for Dallas County, Missouri.

My commission expires: March 23, 2018
 Publication fee: 39.31

Publication fee:



II-15: Letters of Support

(Please see attached.)



June 29, 2017

Ms. Karla Houchins
Program Coordinator, Certificate of Need
Missouri Department of Health and Senior Services
3418 Knipp Drive, Suite F
Jefferson City, Missouri 65102

RE: CON Project #5490 RS: Lebanon Assisted Living Addition of 40 ALF Beds to Existing Certificate of Need (#5189 RS) to Increase Assisted Living Beds and Provide Memory Care Services

Dear Ms. Houchins:

I want to offer my support for the project listed above because of the need for more senior housing options, and especially because of the need for housing and service options for people who suffer from dementia or Alzheimer's disease. There are currently no memory care options in Lebanon. This causes difficult situations for families. Families may choose to try to take care of a loved one for far longer than they should because they don't want to place their loved one in a community far away. Taking care of a family member with dementia or Alzheimer's is incredibly difficult and often takes an emotional, financial, and physical toll on the entire family. This worthwhile burden can be alleviated with memory care services that allow peace of mind for the family and quality care for the senior. This project also offers the ability to visit frequently with its easy access to and from Highway 5 on the north side of town.

Aside from memory care services, the Lebanon area doesn't have enough assisted living options for our seniors. Lebanon and the surrounding area's senior population has grown consistently for over ten years and we need adequate housing options for this growing population. Our seniors are a valuable part of our community, regardless of the type of housing and services they need, and I would be grateful for the State's help in encouraging companies to fill these needs.

The creation of jobs is another benefit of this project. This is definitely a win-win, where services are provided that allow families to stay close, people don't have to leave our community, and people in the community are utilized to provide these services. I urge you to give your full approval to this project. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Darrell Pollock".

Darrell Pollock
Executive Director

June 29, 2017

Ms. Karla Houchins

Program Coordinator, Certificate of Need
Missouri Department of Health and Senior Services
3418 Knipp Drive, Suite F
Jefferson City, Missouri 65102

RE: CON Project #5490 RS: Lebanon Assisted Living Addition of 40 ALF Beds to Existing
Certificate of Need (#5189 RS) to Increase Assisted Living Beds and Provide Memory
Care Services

Dear Ms. Houchins:

I want to offer my support for the project listed above because of the need for more senior housing options, and especially because of the need for housing and service options for people who suffer from dementia or Alzheimer's disease. There are currently no memory care options in Lebanon. This causes difficult situations for families. Families may choose to try to take care of a loved one for far longer than they should because they don't want to place their loved one in a community far away. Taking care of a family member with dementia or Alzheimer's is incredibly difficult and often takes an emotional, financial, and physical toll on the entire family. This worthwhile burden can be alleviated with memory care services that allow peace of mind for the family and quality care for the senior. This project also offers the ability to visit frequently with its easy access to and from Highway 5 on the north side of town.

Aside from memory care services, the Lebanon area doesn't have enough assisted living options for our seniors. Lebanon and the surrounding area's senior population has grown consistently for over ten years and we need adequate housing options for this growing population. Our seniors are a valuable part of our community, regardless of the type of housing and services they need, and I would be grateful for the State's help in encouraging companies to fill these needs.

The creation of jobs is another benefit of this project. This is definitely a win-win, where services are provided that allow families to stay close, people don't have to leave our community, and people in the community are utilized to provide these services. I urge you to give your full approval to this project. Thank you for your consideration.

Sincerely,



Gib Adkins
Councilman, Lebanon Ward 1



June 29, 2017

Ms. Karla Houchins
Program Coordinator, Certificate of Need
Missouri Department of Health and Senior Services
3418 Knipp Drive, Suite F
Jefferson City, Missouri 65102

RE: CON Project #5490 RS: Lebanon Assisted Living Addition of 40 ALF Beds to Existing Certificate of Need (#5189 RS) to Increase Assisted Living Beds and Provide Memory Care Services

Dear Ms. Houchins:

I want to offer my support for the project listed above because of the need for more senior housing options, and especially because of the need for housing and service options for people who suffer from dementia or Alzheimer's disease. There are currently no memory care options in Lebanon. This causes difficult situations for families. Families may choose to try to take care of a loved one for far longer than they should because they don't want to place their loved one in a community far away. Taking care of a family member with dementia or Alzheimer's is incredibly difficult and often takes an emotional, financial, and physical toll on the entire family. This worthwhile burden can be alleviated with memory care services that allow peace of mind for the family and quality care for the senior. This project also offers the ability to visit frequently with its easy access to and from Highway 5 on the north side of town.

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Sincerely,

Brian Thompson
President/Chief Executive Officer

June 29, 2017

Ms. Karla Houchins

Program Coordinator, Certificate of Need
Missouri Department of Health and Senior Services
3418 Knipp Drive, Suite F
Jefferson City, Missouri 65102

RE: CON Project #5490 RS: Lebanon Assisted Living Addition of 40 ALF Beds to Existing
Certificate of Need (#5189 RS) to Increase Assisted Living Beds and Provide Memory
Care Services

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The creation of jobs is another benefit of this project. This is definitely a win-win, where services are provided that allow families to stay close, people don't have to leave our community, and people in the community are utilized to provide these services. I urge you to give your full approval to this project. Thank you for your consideration.

Sincerely,



Randy Wall

City Councilman – Ward 3

P.O. Box 111 • Lebanon, Missouri 65536 • phone: 417.532.2156 • fax: 417.532.8388
www.lebanonmissouri.org • facebook.com/cityoflebanonmo • Twitter: @cityoflebanon

Divider III. Service Specific Criteria and Standards:

1. For ICF/SNF beds, address the population-based bed need methodology of fifty-three (53) beds per one thousand (1,000) population age sixty-five (65) and older.

Not Applicable

2. For RCF/ALF beds, address the population-based bed need methodology of twenty-five (25) beds per one thousand (1,000) population age sixty-five (65) and older.

The population data provided by the Department of Health and Senior Services is included in Divider II and the Attachments are included within this application. Also included in Divider II and the Attachments are the zip code percentage adjustments made by the applicant to calculate the population inside the Service Area.

An inventory of existing and approved RCF and ALF facilities inside the Service Area is provided, as well as a map showing the location of these facilities (see Attachments). Based on this data, there will be a surplus of 121 RCF/ALF beds in the 15-mile radius for the year 2020. See Below.

$\text{Unmet Need} = (0.025 \times P) - U$

Where 25 = RCF/ALF need rate per 1,000 population 65+

P = Year 2020 population 65+ in the 15-mile radius

U = Number of existing and approved beds in 15-mile radius

Unmet need = $(0.025 \times 7,648) - 312 = 121$ bed surplus

3. For LTCH beds, address the population-based bed need methodology of one-tenth (0.1) bed per one thousand (1,000) population.

Not Applicable

4. Document any alternate need methodology used to determine the need for additional beds such as LTCH, Alzheimer's, mental health, or other specialty beds.

The community need methodology is not truly reflective of the need for assisted living beds in the Service Area because, as detailed below, the inventory of beds in the Service Area reflected in the population-based need methodology is not actually available to seniors.

Department of Mental Health: Eighty (80) ALF beds included within the Service Area are not available to seniors because they are exclusively for DMH residents. Because these eighty (80) beds are not available to seniors, they should be subtracted from the available beds in the Service Area. (-80)

Licensed vs. Available Beds: The six (6) remaining ALF/RCFs in the Service Area are licensed for 232 beds. These include the fifty (50) associated with the Original Project (CON Project #5189 RS). However, those facilities only report having 200 beds available for residents (including the previously-approved fifty (50) beds associated with the Original Project). Because these thirty-two (32) beds are not available to residents, they should be subtracted from the available beds in the Service Area. (-32)

Current RCF Beds for Seniors: Of the 120 RCF beds available in the Service Area, only twenty (20) beds are specifically for seniors. Because one hundred (100) of the RCF beds in the Service Area are not utilized for seniors, they should be subtracted from the available beds in the Service Area (-100).

Current ALF Beds for Seniors: The only ALF beds available to seniors in the Service Area are 97% occupied.

Therefore, there are only 100 ALF/RCF beds in the Service Area available for seniors. If that 100-bed figure is utilized to calculate the population-based need for such area, the result is a need for **91 additional beds**.

$$[(.025 \times 7,648) - 100] = 91$$

Lack of Memory Care Beds: None of the ALFs or RCFs within the Service Area offer memory care services to seniors suffering from Alzheimer's disease and related dementias. The primary difference between the Original Project and the Revised Project is the addition of a 26-room memory care unit within the Community.

According to the Alzheimer's Association, as of 2017, more than five (5) million Americans are living with Alzheimer's disease and by 2050, that number could be as high as sixteen (16) million. One (1) in ten (10) people age 65 and older has Alzheimer's dementia. Further, in 2016, more than fifteen (15) million family and friends provided care for people with Alzheimer's or other dementias, which resulted in thirty-five percent (35%) of those caregivers reporting that their own health deteriorated due to their care responsibilities. Compared with caregivers of people without dementia, twice as many caregivers of those with dementia indicate substantial emotional, financial and physical difficulties.

Therefore, given these sobering statistics, if the memory care need were to be calculated for the Service Area, the bed need for such area would be increased by a significant margin.

5. For any proposed facility which is designed and operated exclusively for persons with acquired human immunodeficiency syndrome (AIDS), provide information to justify the need for the type of beds being proposed.

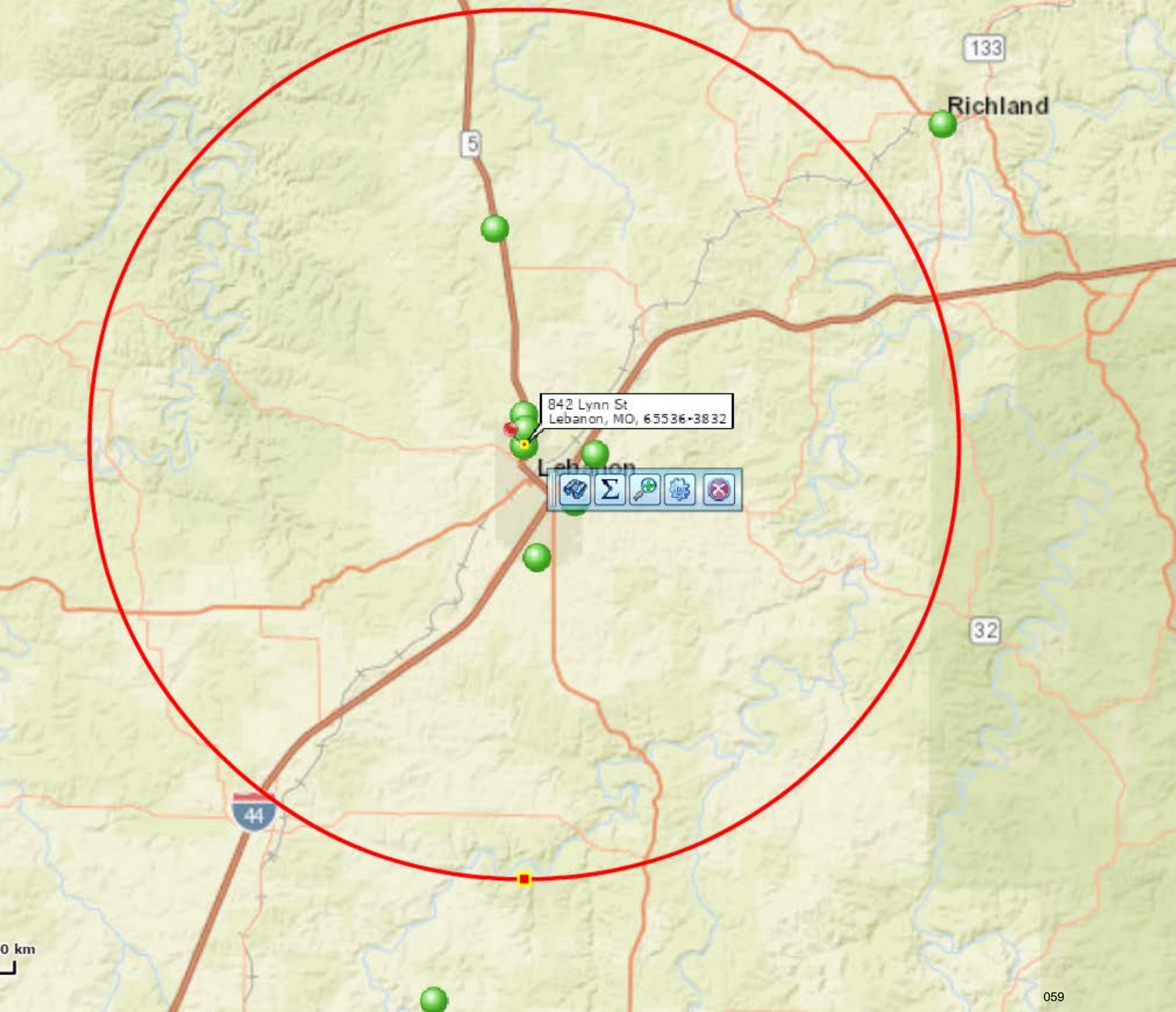
Not Applicable

6. If the project is to add beds to an existing facility, has the facility received a Notice of Noncompliance within the last 18 months as a result of a survey, inspection, or compliant investigation? If the answer is yes, explain.

Not Applicable

III-2: List and Map of Facilities within 15-Mile Radius

(Please see attached.)



EXISTING BEDS AND CON APPROVED FACILITIES WITHIN 15 MILES OF 842 LYNN STREET, LEBANON, MISSOURI 65536
UTILIZING DATE FROM SIX-QUARTER OCCUPANCY OF LICENSED AND AVAILABLE BEDS - ASSISTED LIVING AND RESIDENTIAL CARE FACILITY

County	Facility Name	Facility Address	City	Zip	Con Approved	Licensed Beds			4th Qtr 2015	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	1st Qtr 2017			Average Occup %
						ALF	RCF	Total						Pat Days	Occup days	Occup %	
Laclede	Countryside Home, LLC	24499 Park Dr	Lebanon	65536	0	0	20	20	91.8%	87.5%	99.9%	99.2%	99.8%	1,800	1,754	97.4%	95.9%
Laclede	Dove Senior Citizen Home	31841 North Hwy 5	Lebanon	65536	0	0	30	30	53.3%	66.7%	66.7%	66.7%	66.7%	2,700	1,620	60.0%	63.3%
Laclede	Essex of Lebanon, The	1316 Deadra Dr	Lebanon	65536	0	0	12	12	98.2%	82.2%	100.0%	98.5%	91.5%	1,080	974	90.2%	93.4%
Laclede	Gaslight Manor	25466 North Hwy 5	Lebanon	65536	0	80	0	80	3.1%	85.1%	85.0%	97.9%	79.5%	7,200	5,606	77.9%	71.6%
Laclede	Lebanon Assisted Living (CON Approved 7-13-15)	842 Lynn Street	Lebanon	65536	50	0	0	0									
Laclede	Lebanon South Nursing & Rehab	514 West Fremont Rd	Lebanon	65536	0	0	2	2	50.0%	100.0%	36.3%	3.3%	25.5%	180	20	11.1%	37.7%
Laclede	Lebanon South Nursing & Rehab	514 West Fremont Rd	Lebanon	65536	0	0	68	68	28.1%	27.5%	23.8%	26.4%	29.5%	6,120	1,672	27.3%	27.1%
Laclede	Northridge Place - Assisted Living By Americare	1500 Lynn St	Lebanon	65536	0	50	0	50	56.0%	55.5%	56.0%	56.0%	56.2%	4,500	2,555	56.8%	56.1%
SUBTOTAL:					50			262									
TOTAL LICENSED AND CON APPROVED BEDS:								312									

Divider IV. Financial Feasibility Review Criteria and Standards

1. Document that the proposed costs per square foot are reasonable when compared to the latest “RS Means Construction Cost data.”

The Revised Project has budgeted hard construction costs of \$7,575,000. This construction cost number is a result of a detailed bid from a reputable and experienced St. Louis design-build construction firm. At approximately 68,698 square feet, this equates to a cost per square foot figure of \$110.00. Per 2017 RS Means Building Construction Cost Data, this figure is within approximately 10% of the stated median average of \$120.50 for the Other Missouri Area. See attached.

2. Document that sufficient financing is available by providing a letter from a financial institution or an auditor’s statement indicating that sufficient funds are available.

See attached financing letters from Reliance Bank, dated June 23, 2017, First Bank, dated June 23, 2017, and Lancaster Pollard Mortgage Company, dated June 27, 2017.

3. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) for the latest three (3) years, and projected through three (3) full years beyond project completion.

Form MO 580-1865 is included with this application.

4. Document how patient charges are derived.

The resident charge rates at the Community are based on an overall assessment of the market, and rates charged in other markets by the management company. The rate structure is also based on the size/type of unit and the level of medical and personal services required. A second person fee is also included when units are shared. Rates were established at levels that represent value to the residents and are competitive in the local market. Below are the current rates for each type:

Room Type – ASSISTED LIVING	Rate
One Bedroom	\$3,500
Two Bedroom	\$4,500
Second Person Fee	\$1,000
Room Type – MEMORY CARE	Rate
Studio	\$5,000
Studio Plus	\$5,500

5. Document responsiveness to the needs of the medically indigent.

There are currently no meaningful mechanisms, such as Medicaid, in place for assisted living accommodations. For the medically underinsured or indigent with health care needs, there are some reimbursement for specific health care services. The Community assists residents in obtaining any state, federal or other governmental support available for those health care services that may be provided within

an assisted living facility. For those requiring health care services beyond the capability of an assisted living facility, the Community will assist in arranging transfer to a facility appropriate to the resident's needs.

6. For a proposed new skilled nursing or intermediate care facility, what percent of your admissions would be Medicaid eligible on the first day of admission or become Medicaid eligible within 90 days of admission?

Not Applicable

7. For an existing skilled nursing or intermediate care facility proposing to add beds, what percent of your admissions is Medicaid eligible on the first day of admission or becomes Medicaid eligible within 90 days of admission?

Not Applicable

IV-1: 2017 RS Means Construction Cost Data

(Please see attached.)

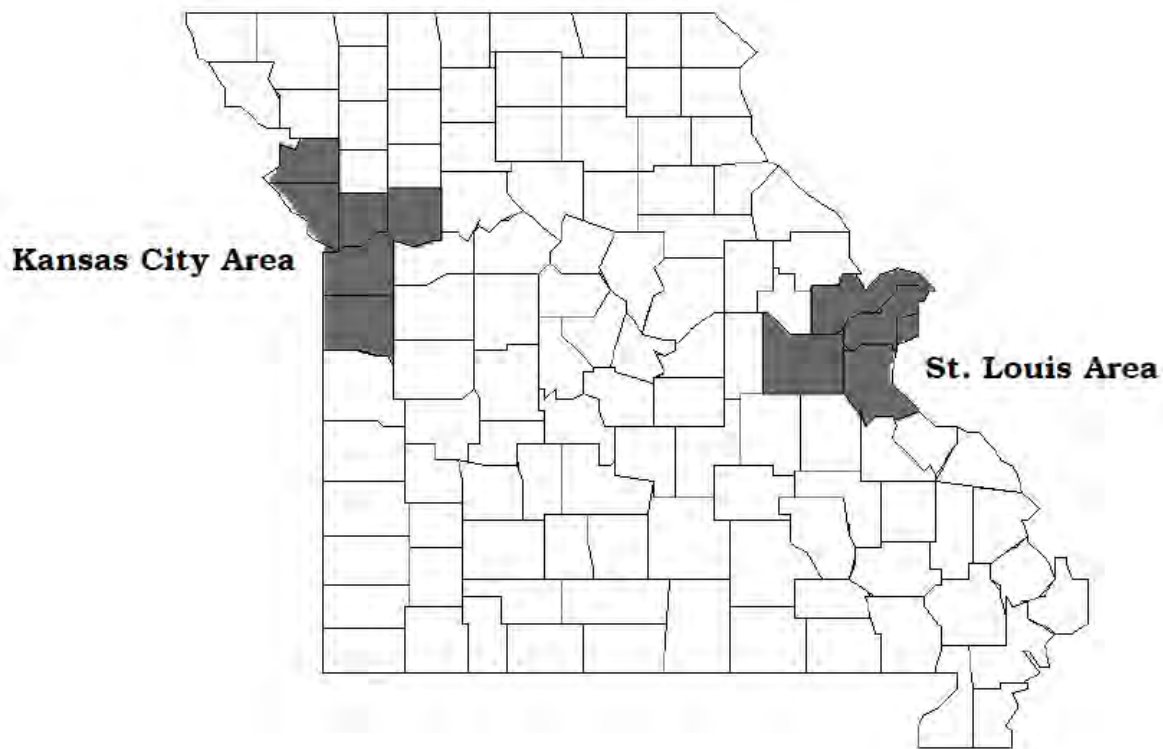
RS Means Cost Data

RS Means Cost Data Percentile Limits Total New Construction Project Costs*

Source: 2017 RS Means Building Construction Cost Data

<u>Type of Facility</u>	<u>Percentile</u>	<u>St. Louis Area</u>	<u>Kansas City Area</u>	<u>Other Missouri</u>
Hospital	3/4	371.21	374.13	351.86
Cost Per Sq. Ft.	Median	366.12	369.00	347.04
Nursing Home/ Assisted Living Facility**	3/4	165.77	167.08	157.13
Cost Per Sq. Ft.	Median	127.13	128.13	120.50

**For 2017, nursing homes and assisted living facilities were combined into one cost per square foot.



* Renovation costs should not exceed 70% of total new construction project costs.

IV-2: Financing Letters

(Please see attached.)



10401 CLAYTON ROAD
FRONTENAC, MO 63131
TEL: 314.569.7200
FAX: 314.569.7300
reliancebankstl.com

June 23, 2017

Mr. Joshua R. Jennings, CEO
Dover Development, LLC
120 South Central Avenue, Suite 1050
Clayton, MO 63105

RE: Cedarhurst of Lebanon, MO

Dear Joshua:

We appreciate the opportunity to look at financing for your new Cedarhurst of Lebanon project. Based on the initial review this appears to be a great location and you will be delivering services that are needed by the residents of Lebanon and the surrounding area.

Subject to our customary underwriting guidelines we are interested in working with you to provide a financing solution for this project. Reliance Bank has worked with you on your Cedarhurst of St. Charles project so I know you understand our capability, understanding and knowledge in developing a strong financial solution for this Senior Housing Development.

Thank you again for considering Reliance Bank for your development and mini-perm financing needs. We look forward to working with you further on a financing solution for this opportunity once you have obtained the necessary Certificate of Need from the State of Missouri.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Dyck".

Bruce Dyck
Senior Lending Officer
Reliance Bank



MEMBER FDIC



June 23, 2017

Mr. Joshua R. Jennings, CEO
Dover Development, LLC
120 S. Central Avenue, Suite 1050
Clayton, MO 63105

RE: Cedarhurst of Lebanon Assisted Living Facility

Dear Joshua:

We appreciate the opportunity to look at financing for your new Cedarhurst of Lebanon project. Based on our past experience with your projects, and your ability to deliver much needed services to residents in this area of Lebanon, we look forward to the opportunity to review your financing request. Subject to our standard and customary underwriting guidelines and sponsorship requirements we are very interested in working with you to provide a financing solution for this project. I know you are aware, based on projects First Banks Healthcare Lending Group has previously worked on for the Cedarhurst Family of Homes, that we bring industry knowledge and development financing expertise together every day to provide financing solutions to experienced and knowledgeable Senior Housing Developers such as Dover Development, LLC and its affiliates.

Thank you again for considering First Banks Healthcare Lending Group for your development and mini-perm financing needs. We look forward to working with you further on a project financing solution for this opportunity once you have obtained the necessary Certificate of Need from the State of Missouri.

Sincerely,

Greg Fuesting
Senior Vice President

Division Manager of the Commercial Real Estate and Healthcare Lending Groups
First Bank

June 27, 2017

Mr. Joshua Jennings
Chief Executive Officer
The Dover Companies
120 South Central Avenue, Suite 1050
Clayton, MO 63105

**Re: *Cedarhurst of Lebanon
Construction and Permanent Loan Financing***

Dear Mr. Jennings:

It would be our pleasure, on behalf of Lancaster Pollard & Co., LLC ("LP"), to provide a financing arrangement for Cedarhurst of Lebanon, a proposed assisted living project located in Lebanon, MO ("the Project"). Subject to full due diligence and our customary underwriting and sponsorship requirements, LP is prepared to provide construction and permanent financing for the Project to the above referenced Borrower.

Our team certainly looks forward to working with you to help bring another successful project into existence. Thanks for considering us for your financing needs and we look to starting final underwriting once you have received approval for the Certificate of Need from the State of Missouri.

If you have any questions in regard to the information above, please don't hesitate to contact me.

Sincerely,



Michael Ashley
Vice President
Lancaster Pollard & Co., LLC

**SERVICE-SPECIFIC REVENUES AND EXPENSES****Project Title:** Lebanon Assisted Living**Project #:** 5490 RS**Historical Financial Data for Latest Three Full Years plus
Projections Through Three Full Years Beyond Project Completion**

Use an individual form for each affected service with a
sufficient number of copies of this form to cover entire period,
and fill in the years in the appropriate blanks.

	Year		
	<u>1</u>	<u>2</u>	<u>3</u>
Amount of Utilization:*	16,844	27,179	27,179
Revenue:			
Average Charge**	\$134	\$137	\$141
Gross Revenue	\$2,257,096	\$3,723,523	\$3,832,239
Revenue Deductions	0	0	0
Operating Revenue	2,257,096	3,723,523	3,832,239
Other Revenue	0	0	0
TOTAL REVENUE	\$2,257,096	\$3,723,523	\$3,832,239
Expenses:			
Direct Expenses			
Salaries	1,226,346	1,257,005	1,288,430
Fees	164,475	260,878	268,705
Supplies	230,490	314,376	322,236
Other	405,960	416,109	426,512
TOTAL DIRECT	\$2,027,271	\$2,248,368	\$2,305,883
Indirect Expenses			
Depreciation	206,655	206,655	206,655
Interest***	650,086	650,086	650,086
Rent/Lease	0	0	0
Overhead****	0	0	0
TOTAL INDIRECT	\$856,741	\$856,741	\$856,741
TOTAL EXPENSES	\$2,884,012	\$3,105,109	\$3,162,624
NET INCOME (LOSS):	-\$626,916	\$618,414	\$669,615

*Utilization will be measured in "patient days" for licensed beds, "procedures" for equipment,
or other appropriate units of measure specific to the service affected.

**Indicate how the average charge/procedure was calculated.

***Only on long term debt, not construction.

****Indicate how overhead was calculated.